

**COMPLIANCE
BRIEFING
GUIDANCE NOTE:
ACADEMY TRUST
HANDBOOK 2024**

1 August 2024

ABOUT THIS GUIDANCE NOTE

This Trust Governance Insight Guidance Note provides a summary of the main changes to the Academy Trust Handbook 2024. This includes suggested actions, and updates that you may wish to make to your 2024/25 agenda planning.

This note is accompanied by updated resources and new templates that we have created at TGP to make your lives easier following this ATH update. You can find our new resources in the Documents Area on GovernorHub.

Our full Compliance Briefing session, which will include an opportunity for further contextual information and discussion, will be held early on 5 September (12 – 1.30), with a re-run on 12 September (10 – 11.30am).

All information shared in this Briefing Note is correct at the time of writing. The content contained here provides a snapshot summary, as a compass to help you to navigate the guidance but it is not intended as legal advice.

THE CHANGES ARE NOT EXTENSIVE, BUT THERE ARE IMPORTANT POINTS TO NOTE

Following extensive revision of the ATH 2023, we were not anticipating the same this year. Whilst this is generally the case, there are significant points that, as your trust's governance professional, you will want to be able to guide your team, board and colleagues through. These are specifically in relation to:

- Register of interests format updates (see our TGP template to help you)
- Having a clear plan for the management of reserves
- Approvals required for Electrical Vehicle Salary Sacrifice Schemes
- Changes to when approvals are required for financial leasing arrangements
- Understanding the qualifications/ experience required by non-employed trustees who undertake any internal scrutiny activity for your trust
- The circumstances in which a Notice to Improve can be issued on governance grounds (expanded to include estates management criteria)

THE HANDBOOK HAS MAINTAINED ITS STREAMLINED FORMAT

In 2023, the publication reduced by 16 pages, with the intention that the Handbook would be 'simpler, shorter and more sharply focussed...than before'. *(From the Foreword to the Academy Trust Handbook 2023 by Baroness Barran, July 2023)*

This approach has been retained for the ATH 2024. With just two additional pages, the handbook runs to 64 pages in total.

THERE ARE SIGNPOSTS TO GUIDANCE, AND STYLE UPDATES

As in previous versions, throughout the ATH 2024 there are signposts to supplementary guidance, for example:

- Previous references to the DfE's Governance Handbook have been updated to reference relevant sections of the Academy Trust Governance Guide.
- References to documents that were withdrawn this year (e.g. 'Academy Trust Governance: Structures and Roles') have been removed.
- There are also stylistic updates (e.g. 'and/or' references now tend to just state 'or' and DfE/ ESFA becomes 'DfE or ESFA').

THE INTRODUCTION TO THE HANDBOOK SUMMARISES THE CHANGES

Part	Headline Changes
Part 1: Roles and responsibilities	Clarification of digital and technology standards; updated register of interests requirements
Part 2: Main financial requirements	Updated guidance on the management of reserves; clarification on circumstances for Electric Vehicle salary sacrifice schemes
Part 3: Internal scrutiny	Updated guidance on internal scrutiny options for trusts with revenue above £50 million; clarification of qualifications/ experience required for trustees and peer reviewers
Part 4: Annual accounts and external audit	No changes (except one spelling out of an acronym)
Part 5: Delegated authorities	New guidance on financial lease arrangements
Part 6: The regulator and intervention	Clarification on cyber security requirements and circumstances for issuing a Notice to Improve (Ntl)

THIS GUIDANCE NOTE WALKS YOU THROUGH THE MAIN CHANGES

We always recommend reading the Handbook directly and referring to the relevant page of the Handbook for the full text. You can also refer to the additional templates and resources we have created to support you implement the changes. The format that we use throughout the note is as follows.

Section: Refers to relevant section in the Academy Trust Handbook 2024	
Change: A summary of the key changes that have been made.	
Action: Our suggested actions for you to consider to save you time. Specific actions and their timing will need to be planned to reflect your trust and governance arrangements – some may be needed promptly whilst others may be less urgent and you can come to them when you have time. You can also refer to TGP’s updated resources and templates that we have created to help with the heavy lifting (see our Documents Area on GovernorHub).	
2024 version (page xx)	2023 version (page xx)
We have provided excerpts from the updated Handbook.	We have provided excerpts from comparable sections in the 2023 Handbook, where applicable

CHANGES TO PART 1: ROLES AND RESPONSIBILITIES

THERE IS A NEW SECTION ON THE DfE's DIGITAL AND TECHNOLOGY STANDARDS

Section: Digital and Technology Standards

Change: Brief section added, guiding trusts to refer to the DfE's digital and technology standards when making decisions about technology and related infrastructure

Action: Ensure relevant trust colleagues are aware of the standards. Provide a link for trustees within your autumn board packs, so that they know to obtain assurances from the executive regarding application of the standards.

2024 version (page 12)

2023 version

1.16 Trust should refer to the DfE's digital and technology standards, which were developed to support trusts in making more informed decisions about technology.

N/A

THE REGISTER OF INTERESTS HAS MOVED

Section: Register of Interests

Change: Section moved from Part 5 to Part 1; clarification of information required to be included within the register.

Action: Review the trust's register of interests (including its published version). Update in accordance with format requirements. Refer to TGP's new register of interests template.

2024 version (page 18)

1.45 The trust **must** keep a register of any relevant business and financial interests, including governance roles in other educational institutions, for (as a minimum) members, trustees, local governors and senior employees, serving at any point over the past 12 months.

2023 version (pages 42 - 43)

The same requirements – with additional information now included for 2024 (see text highlighted in red overleaf).

REGISTER OF INTERESTS CONT...

2024 version (page 18 continued)

1.46 The register **must** include their full names, date of appointment, term of office, date they stepped down (where applicable), who appointed them and relevant business and financial interests including:

- directorships, partnerships and employments with businesses
- trusteeships and governorships at other educational institutions and charities
- for each interest: the name and nature of the business, the nature of the interest and the date the interest began.

1.47 The register **must** identify relevant interests from close family relationships between the academy trust's members, trustees or local governors. It must also identify relevant interests arising from close family relationships between those individuals and employees.

1.48 Trusts should consider whether other interests should be registered, and if in doubt should do so. Boards of trustees **must** keep their register of interests up-to-date at all times.

WEBSITE PUBLICATION REQUIREMENTS HAVE THEIR OWN SECTION

Section: Trust websites

Change: New standalone section and removal of requirement to publish dates of appointment, terms of office and dates stepped down (**NB:** this requirement now appears within the register of interests).

Action: Share and reflect on changes with your board; align with your internal governance documentation.

2024 version (page 19)

1.49 The trust **must** also publish on its website up-to-date details of its governance arrangements in a readily accessible format, including:
[see continuation overleaf]

2023 version (pages 16 – 17)

The same text, but now moved to a different section of the ATH.

WEBSITE PUBLICATION CONT...

2024 version (page 18)

the structure and remit of the trust's members, board of trustees, committees and local committees/governing bodies (the trust's scheme of delegation for governance functions), and the full names of the chair of each

- register of business and financial interests for members, trustees, local governors and accounting officers, including a nil return where appropriate
- for each trustee, their attendance records at board and committee meetings over the last academic year
- for each local governor, their attendance records at local governing body meetings over the last academic year

1.50 The trust **must** make available on request for public inspection:

- the agenda for every meeting of the trustees, local committees/governing bodies and committees
- the approved minutes of each meeting
- any report, document or other paper considered at each meeting.

1.51 The trust may exclude from any item any material relating to:

- a named teacher or other employee or proposed employee
- a named pupil or student at the academy, or candidate for admission or referral to it
- any matter which, by reason of its nature, the trustees are satisfied should remain confidential.

CHANGES TO PART 2: MAIN FINANCIAL REQUIREMENTS

A NEW REQUIREMENT FOR THE RESERVES POLICY

Section: Financial Planning

Change: The reserves policy is required to include a 'clear plan for managing reserves'.

Action: Update board on new requirement at first meeting of the year. Ensure the executive are aware of the change when reviewing the reserves policy and add to the relevant agenda through the year.

2024 version (page 21)

2.8 The board of trustees **must:**

- ensure that financial plans are prepared and monitored, satisfying itself that the trust remains a going concern and financially sustainable
- take a longer term view of the trust's financial plans consistent with the requirement to submit three-year budget forecasts to ESFA
- set a policy for holding reserves, and explain it in its annual report, **including a clear plan for managing reserves.**

2023 version (page 19)

Same text but without the clause in red.

BUDGET FORECAST RETURN (BFR) DEADLINE CLARIFIED

Section: Sending your budget to ESFA

Change: Clarification that the Academies budget forecast return (BFR) must be submitted by end of August – this is **not a change, just a slight update to wording.**

Action: Confirm submission as part of annual compliance checks, with input from external auditors as required.

2024 version (page 22)

2.15 The academy trust **must** submit to ESFA, in a form specified by ESFA, an Academies budget forecast return (BFR) by the end of August.

2023 version (page 20)

2.15 The academy trust **must** submit to ESFA, in a form specified by ESFA, an Academies budget forecast return (BFR) by the end of August in accordance with deadlines published annually.

A NEW 'MUST' FOR APPROVING ELECTRIC VEHICLE SALARY SACRIFICE SCHEMES

Section: Electrical Vehicle (EV) Salary Sacrifice Schemes

Change: A new compliance requirement to seek approval for **all** new EV salary sacrifice schemes, and when extending existing schemes to more employees. The requirement includes contacting ESFA early in any planning for these schemes.

Action: Consider updates to compliance checks. Ensure the board and executive are made aware of the new ESFA requirements possibly including a link for trustees within your autumn board packs.

2024 version (pages 25 - 26)

2.31 Academy trusts **must** approach ESFA to seek approval for the following transactions:

- entering into a new electric vehicle salary sacrifice scheme
- accepting any further employees onto an existing electric vehicle salary sacrifice scheme.

You **must** contact ESFA early in the planning stage, both in relation to new schemes and accepting further employees onto existing schemes.

2023 version (page 23)

2.31 Electric Vehicle (EV) salary sacrifice schemes do not need ESFA approval where no liability falls on the trust if an employee does not fulfil their contractual obligations with the scheme provider. For other types of EV salary sacrifice schemes, or where the trust is under an Ntl, prior ESFA approval **must** be obtained.

CHANGES TO PART 3: INTERNAL SCRUTINY

NEW INTERNAL AUDIT REQUIREMENT FOR TRUSTS WITH £50M+ REVENUE INCOME

Section: Delivering Internal Scrutiny - Options

Change: A new compliance requirement for trusts with revenue income over £50 million to deliver internal scrutiny using a specified combination of audit partners.

Action: Check revenue income levels and review internal audit arrangements in line with requirements. You may want to note that this is a 'should' from 1 September 2024 but a **must** from 1 September 2025.

2024 version (page 32)

2023 version

3.16 Trusts with an annual revenue income over £50 million should (and from 1 September 2025 **must**) deliver internal scrutiny using any combination of the following:

- an in-house internal auditor
- a bought-in internal audit service

N/A

QUALIFICATIONS/EXPERIENCE OF THOSE CARRYING OUT INTERNAL SCRUTINY

Section: Delivering Internal Scrutiny - Options

Change: Clarification that if a trust uses non-employed trustees or peer-reviewers to carry out internal scrutiny activities, that they should be appropriately qualified and/ or experienced in the specified area under review (and not just in finance/ accounting/ audit).

Action: Review the trust's internal audit arrangements in line with requirements.

2024 version (pages 32 – 33)

3.17 To ensure those carrying out the programme of internal scrutiny work are suitably qualified and/or experienced:

- auditors should be members of a relevant professional body
- trustees and peer reviewers performing the work should have appropriate qualifications and/ or experience relevant to the area being reviewed.

2023 version (page 29)

3.17 To ensure those carrying out the programme of internal scrutiny work are suitably qualified and/ or experienced:

- auditors should be members of a relevant professional body
- trustees and peer reviewers performing the work should have qualifications in finance, accounting or audit, and appropriate internal audit experience.

CHANGES TO PART 4: ANNUAL ACCOUNTS AND EXTERNAL AUDIT

THERE ARE NO CHANGES TO PART 4 OF THE HANDBOOK

- There are no changes to Part 4 (except for the spelling out of an acronym)
- No 'musts' have been changed

CHANGES TO PART 5: DELEGATED AUTHORITIES

THE CONTACT FORM TO OBTAIN ESFA APPROVALS HAS CHANGED

Section: Requirement to Obtain ESFA Approval

Change: Updated link to the ESFA's Customer Help Portal for requesting approval for transactions beyond delegation limits which should be used rather than the previous contact form.

Action: Note or bookmark the link for the ESFA's Customer Help Portal.

2024 version (page 37)

Customer Help Portal link included (this can be used to ask a question, receive support for accessing DfE systems, raising a complaint or submitting business cases)

<https://customerhelpportal.education.gov.uk>

2023 version (page 34)

Old (now broken) link referencing ESFA contact form.

THE DEFINITION OF LEASES HAS BEEN CLARIFIED

Section: Leasing

Change: Additional text to state the source of the ESFA's definition of leases (the definition itself has been clarified but not changed).

Action: Update the definition where you refer to it in your trust's documentation.

2024 version (page 41-42)

5.25 **Under UK financial reporting standards applicable to academy trusts**, there are 2 types of lease:

- finance leases: these are a form of borrowing
- operating leases: these are not borrowing.

2023 version (page 38)

Same text but without the clause in red.

THE DEFINITION OF LEASES HAS BEEN CLARIFIED

Section: Leasing

Change: A change to when approval is required on financial leasing.

Action: Inform the executive of this update.

2024 version (page 41-42)

Trusts **must** obtain ESFA's prior approval for the following leasing transactions:

- taking up a finance lease on any asset not on the DfE approved list for any duration from another party, which are subject to the borrowing restrictions described in paragraphs 5.33 and 5.34

2023 version (page 38)

Trusts **must** obtain ESFA's prior approval for the following leasing transactions:

- taking up a finance lease on any asset for any duration from another party, which are subject to the borrowing restrictions described in paragraphs 5.33 and 5.34

THERE IS A FURTHER CLARIFICATION OF THE DEFINITION OF LEASES

Section: Borrowing

Change: Confirmation that approval for financial leases on the DfE approved list is not required.

Action: Inform the executive of this update.

2024 version (page 43)

5.33 Academy trusts **must** obtain ESFA's prior approval for borrowing (including overdraft facilities, but excluding finance leases on the DfE approved list) from any source, where such borrowing is to be repaid from grant monies or secured on assets funded by grant monies, regardless of the interest rate chargeable. Credit cards **must** only be used for business expenditure, and balances cleared before interest accrues.

2023 version (page 40)

5.33 Academy trusts **must** obtain ESFA's prior approval for borrowing (including finance leases and overdraft facilities) from any source, where such borrowing is to be repaid from grant monies or secured on assets funded by grant monies, regardless of the interest rate chargeable. Credit cards **must** only be used for business expenditure, and balances cleared before interest accrues.

CLARIFICATION OF RELATIONSHIPS WITH RELATED PARTIES

Section: Principles Applying to Related Party Relationships

Change: Clarification of the trust's relationship with the external auditor, to include the latter's role as reporting accountant.

Action: Note the updated reference to trustees, particularly those on the audit committee.

2024 version (page 44)

5.39 Trusts **must** recognise that some relationships with related parties may attract greater public scrutiny, such as:

- transactions with individuals in a position of control and influence, including the board chair and accounting officer
- payments to organisations with a profit motive, as opposed to those in the public or voluntary sectors
- relationships with external auditors beyond their duty to deliver a statutory audit **and, as reporting accountant, their regularity assurance review.**

2023 version (page 41)

Same text; the addition for 2024 is highlighted in red.

CHANGES TO PART 6: THE REGULATOR AND INTERVENTION

TAKE STEPS TO MEET CYBER SECURITY STANDARDS

Section: Cybercrime

Change: Reference added to DfE's cyber security standards and that trusts should take steps to meet these.

Action: Ensure internal awareness within your trust. Review internal scrutiny arrangements and consider the need to include cyber security within audit planning.

2024 version (page 53)

6.14 Academy trusts **must** also be aware of the risk of cybercrime, put in place proportionate controls and take appropriate action where a cyber security incident has occurred. **Trusts should take appropriate action to meet DfE's cyber security standards, which were developed to help them improve their resilience against cyber-attacks.**

2023 version (page 51)

Same text; the addition for 2024 is highlighted in red.

CRITERIA FOR A NOTICE TO IMPROVE ON GOVERNANCE GROUNDS HAVE EXPANDED

Section: Intervention Powers

Change: Examples for issuing a Notice to Improve (Ntl) on governance grounds now include a failure by the board and executive to manage the school estate and keep it safe.

Action: Ensure internal awareness within your trust. Review board agendas to ensure inclusion of strategic estates management.

2024 version (page 54)

6.16 Examples of when a Ntl may be issued on governance grounds include:

- the trust board not being properly constituted
- trustees failing to comply with their safeguarding duties
- trustees lacking the skills, knowledge and experience to exercise effective oversight of the trust's operations and performance, including educational performance
- **trustees and the executive failing to manage their school estate and maintain it in a safe working condition strategically and effectively**

2023 version (page 52)

Same text; the addition for 2024 is highlighted in red.

CHANGES TO PART 7: DEFINITIONS

THE LIST OF TERMS USED IN THE HANDBOOK HAS BEEN UPDATED

There are very limited changes but for completeness we wanted to highlight the one change to ensure you are aware:

- The definition for ‘close family relationship’ has been added to the Part 7 list in the ATH 2024.

We also wanted to draw attention to the ‘Further reading’ section. The DfE’s 2014 ‘Statutory policies for schools’ document as applying to academies is hyperlinked (not the Academy Trust Governance Guide’s section on policies, or the previously withdrawn guidance for trusts). We will follow up on this with DfE.

**SUPPLEMENTARY
INFORMATION
ISSUED BY ESFA**

A SET OF SUPPLEMENTARY INFORMATION HAS BEEN PUBLISHED

The ESFA has also published an Accounting Officer Letter and ‘Schedule of Musts 2024’ tool alongside the Academy Trust Handbook 2024.

We have also updated TGP’s Combined Schedule of Musts for the ATH and Academy Trust Governance Guide.

We expect that the 2024/25 Academies Planning Calendar will be issued in the coming weeks.

WE RECOMMEND A SET OF ACTIONS TO IMPLEMENT THE CHANGES

We have brought together a set of recommended actions – the exact phasing and timing will depend on your trust’s governance composition and structures, so these are designed as a guide and are not set out in order of priority.

Timeline	Key actions
When updating your governance stakeholders on key changes to the guidance	<ul style="list-style-type: none"><li data-bbox="509 671 2420 778">• Send ESFA ‘accounting officer letter’ to Members, trustees, chief financial officer and senior leadership team, in line with requirement in Academy Trust Handbook 2024 (6.2)<li data-bbox="509 792 2420 963">• Share link to Academy Trust Handbook 2024 and relevant guidance on key changes, with governance stakeholders and colleagues - particularly Chairs of board, finance committee and audit and risk committee<li data-bbox="509 978 2420 1042">• Signpost to the ‘Schedule of musts’ and explain how this will be used by your trust<li data-bbox="509 1056 2420 1163">• Embed relevant publications and links (See ‘Further Reading’ of ATH, pages 59 – 62) into board-level induction materials

THESE ACTIONS WILL HELP TO GUIDE PLANNING FOR 2024/25...

Timeline	Key actions
When preparing 2024/25 templates	<ul style="list-style-type: none">• Review the trust's register of interests format to ensure all required information is included (see TGP's register of interests template for 2024/25)• Include reminders on templates of the trust's vision and values
When preparing 2024/25 meeting dates	<ul style="list-style-type: none">• Factor in timeline for budget submission in August 2025
When preparing 2024/25 agenda planner	<ul style="list-style-type: none">• Ensure strategic oversight of estates management (including from a health and safety and safeguarding perspective) by board and relevant committees• Ensuring regular progress reviews against the trust's overall strategy
When preparing annual report and accounts	<ul style="list-style-type: none">• Review statement on the reserves policy and ensure inclusion of an explanation of the board's plan for the management of reserves.

...ALONGSIDE CONSIDERING KEY ROLES AND ACTIVITIES

Timeline	Key actions
When instances arise	<p>Review internal scrutiny programmes and partners to ensure these arrangements are in line with ATH requirements, and consider a programme of activities (e.g. over a multi-year period), that may include:</p> <ul style="list-style-type: none">• Cyber Security• Estates Management (including health and safety/ safeguarding perspectives)• Equality, Diversity and Inclusion• Environmental Sustainability

CHANGES TO AGENDA PLANS AND TERMS OF REFERENCE

TRUSTS MAY WISH TO UPDATE BOARD-LEVEL TERMS OF REFERENCE

Based on the changes to the Academy Trust Handbook this year, the board may wish to review the 'matters reserved for the board', and committee terms of reference, to ensure that the following areas are reflected:

- Reporting on reserves management, including a clear plan for reserves management.
- Regular reporting on estates management, including headline activities, allocation of spend on maintenance, and reporting on audits and assurance (including safeguarding and health and safety assurances).
- Review of internal scrutiny programmes and partners to ensure these arrangements are in line with ATH requirements and to consider a programme of activities (e.g. over a multi-year period) that **may** include:
 - Cyber Security
 - Estates Management (including health and safety/safeguarding perspectives)
 - Equality, Diversity and Inclusion
 - Environmental Sustainability

THE CHANGES WILL INFORM DISCUSSION IN MEETINGS NEXT YEAR...

As usual, we have provided a summary of key agenda items that can be considered at board level, by term, factoring in the changes to the Academy Trust Handbook. These are drawn from the 'Meeting Delivery' module of our Trust Governance Deliver virtual induction course for governance professionals who are taking on the board-facing role in school trusts. [\[Additions from the ATH 2024 are included in blue\]](#).

Key agenda items which are generally included in the Autumn 1 board meeting are as follows:

- Appointment of Chair, Vice-Chair and Governance Professional.
- Safeguarding update inc. Keeping Children Safe in Education declarations; and Safeguarding Policy.
- Academic results from the previous year.
- Scheme of delegation review including finances (if not considered in previous summer).
- [Update on 2024/25 financial and non-financial internal scrutiny plan and arrangements incl. cyber security, estates Management](#)
- [A reminder of the trust's strategy and improvement plans for the year](#)

...INCLUDING ITEMS FOR REVIEW IN AUTUMN TERM...

Key agenda items which are generally included in the Autumn 2 board meeting are:

- Annual report and accounts must be approved during December.
- Executive Pay information.
- Update on performance management and appraisal.
- Collated register of interests.
- Internal scrutiny report for previous year including update on non-financial scrutiny.
- [Progress against the trust's strategy and improvement plans](#)

...THE FOCUS OF THE BOARD IN SPRING TERM...

The main agenda items which are generally included in the spring term board meetings are:

- Benchmarked academy outcomes for the previous year.
- Pupil destinations for previous year.
- Update on financial and non-financial scrutiny visits.
- Business continuity plans and cyber-security.
- Review of effectiveness and resourcing the external auditor.
- Mid-year review of estates management activities, audits and/ or assurance and health and safety visit outcomes.
- Progress against the trust's strategy and improvement plans.

...AND ITEMS BROUGHT FOR SIGN-OFF IN THE SUMMER

Key agenda items which are generally included in the summer 2 board meeting are:

- Budget approval and three-year financial plan must be approved by board. The budget will be submitted in August 2025, and trusts will consider the optimal approach and timing for final board approval depending on the level of confirmed information on income and expenditure that has been received by the typical board meeting dates of early/ mid July.
- [Progress against the trust's strategy and improvement plans.](#)
- Trust Improvement Plan for the next year.
- Update on the year's financial and non-financial scrutiny visits and proposed plans for next academic year.
- Governance meeting dates and agenda plan.
- [Outcomes of external review of governance/ self-evaluation/ 360 reviews / skills audits](#)
- Policy framework setting out statutory policies for approval by board.
- The financial scheme of delegation will typically be reviewed in summer term.

THANK YOU

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