

# Academy Trust Handbook 2025: Managing public money

30 June 2025  Lydia Michaelson-Yeates

While academy leaders are busy in the run up to the end of term, during the summer break they will want to get themselves up to speed with the latest edition of the [Academy Trust Handbook](#), effective from 1 September 2025 in readiness for the new academic year.

The Academy Trust Handbook, in conjunction with the [Academies Accounts Direction](#) are integral to the regulatory framework and an important point of reference for anybody who has responsibility for [governing, managing or auditing an academy trust](#).

## Financial support and oversight

This year, further to the [Regions Group](#) replacing the regulatory role undertaken by the ESFA, accompanying the handbook is new [financial support and oversight guidance](#).

This guidance is designed to help academy leaders understand how the financial oversight of academy trusts will be managed and how the Regions Group will work with academy trusts in matters relating to financial health and in compliance with the handbook.

As the ESFA has done in earlier publications, there's a helpful summary of the main changes at the beginning of the handbook for quick reference, but of course it goes without saying that is no substitute to reading the handbook in detail.

## A proactive approach

In particular, it is important to focus on the [Schedule of Musts](#) which are the requirements of the handbook brought together in one extensive list. We'd advise all boards to take a proactive approach to the handbook and spend some time during their first meeting of the new academic year to discuss the changes and what areas their trust may need to particularly focus on going forwards to deliver the best outcomes for our young people.

In this briefing, as in earlier years, rather than list all the changes the DfE has already addressed in its guidance, we offer our own thoughts and reflections on a couple of key themes from the new handbook, the trustees and executive team may wish to consider.

## Greater scrutiny

Given the current political and economic climate it may come as no surprise that some of this year's changes are centred primarily on public spending duties and greater scrutiny over public money.

The accounting officer has specific responsibilities for financial matters and includes a personal responsibility to parliament for the trust's financial resources. In the new handbook there is a particular focus on the accounting officer duties and definitions of regularity, propriety, value for money and feasibility to better reflect managing public money have been included.

There are also additional provisions regarding the accounting officer's duty to raise concerns, even if such action conflicts with the duties of the accounting officer to ensure regularity, propriety, value for money and feasibility. Accounting officers should familiarise themselves with these new provisions.

# Executive pay

This theme continues with clarifying the role of the board in setting of executive pay. While the board is responsible for decisions about levels of executive pay, the new handbook expressly sets out that decisions on executive pay may be challenged by the DfE.

Boards will need to ensure they follow a robust evidence-based process and remuneration packages are a reasonable and defensible reflection of an individual's role and responsibilities. Emma Hughes has explored the [implications of this development and key considerations for executive pay in more detail](#).

# Repercussive transactions

Continuing the focus on managing public money, additional clarification has been added to explain that repercussive transactions are those likely to set a precedent and cause pressure, not only on other academy trusts but also the broader public sector to take a similar approach and hence have wider financial implications. This includes where a trust's proposal could cause additional costs to arise for other parts of government.

These additional provisions reflect the fiscal climate and temperament. As a result of significant tax rises from the current government the public demand value for money when spending public funds.

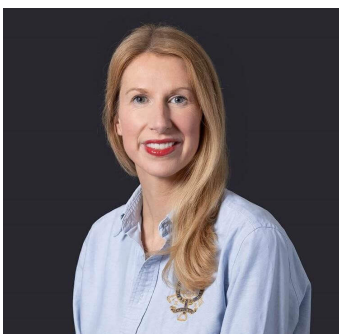
# Protecting public money

The protection of public money is evident again with the new provisions that academy trusts must not pay any cyber ransomware demands. This links into the [financial support and oversight guidance](#).

Further provisions are also included to state the department may recover funds where there is evidence of irregularity or fraud.

The changes to the handbook this year all point to greater scrutiny over the managing public money and ensuring academy trusts play their part.

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