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[Department
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Guidance

Financial support and oversight for academy trusts guidance

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Applies to England

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Purpose of this document

This guidance is intended to:

- help academy trust leaders understand how the financial oversight of academy trusts will be managed through [Regions Group](#) in the Department for Education (DfE), replacing the regulatory role undertaken by the Education and Skills Funding Agency (ESFA)
- provide information for academy trusts about how Regions Group will work with them in matters relating to financial health and compliance with the [academy trust handbook](#)

Academy trust leaders are responsible for the day-to-day management of schools, including managing their budgets and other resources. This guidance is intended to give them information about how and when they can access advice and support from DfE, for instance when they are procuring new services or renewing contracts, or if they are experiencing financial difficulties.

The academy trust handbook sets out the financial requirements that academy trusts must follow to comply with the obligations in their funding agreements. This guidance is intended to support academy trusts by explaining how Regions Group monitor and promote trust compliance, and the actions we take to address all levels of non-compliance.

There is a difference in accountability for financial management for maintained schools and academy trusts as set out in the [support and intervention in school guidance](#). The information in this document is for academy trusts. The principles of good financial management and governance are equally applicable to all types of school. The support for sustainability and efficiency in schools in the first section is relevant to maintained schools so they may find that section helpful.

Terminology

Throughout this document we will refer to academy trust leaders, academy trustees and academy trust leadership. For these terms, refer to the definitions in this section.

Academy trust leaders means those responsible for the day-to-day operation and management of the academy trust, usually the headteacher or principal, and their deputy in the school, as well as school business leaders and the senior management team. These will include the accounting officer and chief financial officer (as defined in the academy trust handbook) for academy trusts.

Academy trustees means academy trustees, both charity trustees and company directors. In some academy trusts, such as church academies, those on the board of the academy trust are known instead as directors and we include this group here. In the academy trust handbook, we use the term trustees to reference the board of trustees or directors of the academy trust. We recognise that for church academies, the term trustees is reserved for those holding land on trust for the purposes of the school.

Academy trust leadership means academy trust leaders, as well as those accountable for the governance of the trust and its strategic decision-making, including academy trustees and the chair of academy trustees, and local governing committees.

Chair of academy trustees means the person responsible for the effective functioning of the board of the academy trust and setting high expectations for professional standards of governance and accountability for the board.

School business professionals (SBPs) encompasses a wide range of practitioners both generalists and specialists, and at various levels of seniority within schools and academy trusts. Examples might include finance assistants in small schools, procurement officers, estates managers in multi-academy trusts, chief financial officers, human resources directors and commercial directors in executive teams of larger multi-academy trusts.

Roles and responsibilities

Regions Group

In March 2025 following the closure of the ESFA, the responsibility for financial regulation of academy trusts moved into Regions Group. This brought the range of regulatory functions undertaken by DfE for schools into one place.

Regions Group works closely with schools and academy trusts across England to support them in delivering high quality education for all pupils. While Regional Improvement for Standards and Excellence (RISE) teams will focus on educational improvement, where they find schools or academy trusts with weak financial management, they will be able to signpost academy trusts to advice and support through the routes set out in this guidance.

The statutory guidance [support and intervention in schools](#) provides details on how Regions Group will intervene at school level to drive school improvement.

Academy trusts

Academy trusts are accountable for the management of the schools within their academy trust. This accountability includes the governance and financial management of the whole academy trust and its schools.

Trusts must comply with the academy trust handbook under the terms of their funding agreement with DfE. This is a contractual obligation. The academy trust handbook extends some delegations to academy trusts in respect of [managing public money](#), and sets out the areas where HM Treasury approval is required. While academy trusts are also exempt charities, and so subject to regulation by DfE, in some circumstances there are transactions that may also require Charities Commission approval.

Under the terms of the academy trust handbook, academy trusts are required to submit financial information to DfE and must notify DfE if the academy trust plans to set a cumulative deficit budget, taking into account any funds brought forward from the previous year.

Schools with a religious character

DfE remains committed to securing the religious character of schools and preserving the diocesan families of schools, as set out in the [Church schools and](#)

[academies: memoranda of understanding](#). This document does not affect the commitment to consistency and transparency in our decision making, and Regions Group's continuing intention to work closely with Church of England and Catholic Dioceses in line with the relevant memorandum of understanding.

Academy trusts must comply with requirements to engage with the religious authority regarding schools with a religious character. For example, to consult or seek consent for land transactions or capital works.

Enabling financial sustainability and efficiency in all types of schools

Academy trusts are accountable for managing their finances to deliver high quality outcomes and opportunity for their pupils. Academy trust leadership will need to make choices to reflect their local circumstances and address the needs and priorities of the children and communities they serve, while ensuring financial stability.

Schools and academy trusts have to make a range of decisions about how to prioritise and make the best use of all of their available resources to maximise the impact on pupil outcomes and balance budgets.

DfE is committed to working with school leaders and academy trustees to enable excellent [school resource management](#) in all schools and academy trusts and offers tools and guidance to support them. Academy trusts are also encouraged to take an integrated approach to curriculum and financial planning (ICFP). Further information and guidance on [ICFP](#) is available to support academy trustees in fulfilling this responsibility.

Budget forecasting and planning

Budget forecasting is a critical part of financial management as it provides the framework for schools and academy trusts to plan ahead by identifying:

- priorities for expenditure
- routine costs that will need to be covered

- plans for future investment, across the full breadth of the trust's responsibilities

The budget forecast is the result of the choices and decisions that the academy trust leadership make as they plan for the next and future years. DfE provides support to schools and academy trusts to support this process and ensure accurate forecasting to inform decision making including:

- tools such as the [Financial Benchmarking and Insights Tool](#) to show schools and academy trusts how their spending compares with similar schools and highlights cost differences for further investigation
- [integrated curriculum and financial planning](#) (ICFP) to help schools plan the best curriculum for their pupils in line with the funding they have available, to achieve educational success and financial sustainability
- procurement services through [buying for schools](#) to help schools and academy trusts secure better value for goods and services and comply with procurement regulations
- tailored advice and hands-on support through the [school resource management advisers \(SRMA\) programme](#) – where experts provide advice to schools and academy trusts at no cost to the school
- support and guidance for academy trusts preparing for submitting their [budget forecast return \(BFR\)](#) in terms of the lines to include in the budget itself
- [managing academy trust reserves](#) to help academy trusts manage their reserves and create a robust reserves policy

Other organisations also provide guidance and tools to support budget forecasting and assumptions including:

- [Confederation of School Trusts](#) – a national organisation and represents school trusts in England
- [ISBL](#) – that represents and supports SBPs and has published [professional standards](#) for the profession
- the [Association of School and College Leaders\(ASCL\)](#) – the trade union and professional association for all school, college and academy trust leaders
- the [School Teachers Review Body \(STRB\)](#) – who make recommendations on the pay, professional duties and working time of school teachers in England
- the [National Governance Association](#) – who have published guidance on [procurement in schools and trusts](#)

This list is not exhaustive. There may be other providers that may provide advice to academy trusts, such as audit firms and other professional organisations.

Importance of building school business professional capability

SBPs are an important part of the management and leadership of schools and academy trusts. They play a vital role across the academy trust in ensuring that the focus of the academy trust remains on improving educational outcomes.

It is important to ensure that SBPs across all roles have the appropriate skills and expertise to meet these responsibilities. Academy trusts must assess whether their financial staff (including the chief financial officer), have relevant qualifications or professional experience to manage the trust's financial operations. Continuing professional development is a critical part of maintaining and increasing the skills and expertise of this group of academy trust staff.

Decisions about professional development are the responsibility of academy trust leadership as they are best placed to make decisions on staff development and on the skills and knowledge required to meet their organisation's needs. Working in partnership with the sector, DfE currently supports academy trusts by providing training and development to SBPs working in schools and academy trusts.

This training and development offer includes:

- [bursaries](#) to help SBPs complete the Level 7 Diploma in School Financial and Operational Leadership, with their employer's support and contribution
- [in-person training workshops](#), delivered locally on a range of relevant topics
- [School Resource Management webinars](#) that are free-to-access, hour-long recorded sessions, on a range of relevant topics
- a [mentoring programme for SBPs](#) to access one-to-one support from an experienced professional from our network of SRMAs

There are also:

- resources, tools and case studies on [school resource management](#)
- [peer networks](#) to help schools and academy trusts work together and share their

knowledge

- resources on [workload and wellbeing](#) for school staff

More information is available through [school business professionals: training and development](#).

Other organisations also provide training for SBPs, school and trust leaders, including:

- [Chartered Institute of Public Finance and Accountancy](#) – the professional body for those in public finance
- [Confederation of School Trusts](#) – a national organisation and represents school trusts in England
- [ISBL](#) – that represents and supports SBPs and has published [professional standards](#) for the profession
- Local authorities – who offer training in financial management for their local schools and to other schools and trusts too
- [Foundation for Educational Leadership](#) – for Church of England schools
- [Catholic Education Service](#) – for Catholic Church schools

This list is not exhaustive. There may be other providers that may meet your needs. We do not endorse any particular organisation. You should follow your procurement process if you choose to buy any services offered.

Supporting academy trusts in financial difficulty

Identifying vulnerable academy trusts

We use the latest budget forecast return (BFR) information to identify academy trusts at risk of deteriorating financial health so that we can engage with them and discuss what support might be appropriate.

We talk to academy trusts about their circumstances and particular pressures and

help them understand the range of support available. In some cases we may recommend a SRMA to provide advice to the academy trust. The academy trust can choose whether to take up any of these suggestions as they may already have plans in place to address the issue and return the trust to sustained financial health. Regions Group are committed to working proactively with academy trusts to provide support to academy trust leaders so that they can continue to deliver high quality education for their pupils.

If trustees are concerned about the financial health of their academy trust, they are encouraged to contact Regions Group sooner rather than later. Academy trustees with good oversight and governance recognise the early signs of financial difficulty and will want to seek support to resolve any financial issues at the earlier stages.

Early resolution minimises disruption for pupils and reduces pressure on academy trust leaders as the issues and sums involved tend to be smaller. By partnering with us, we can support academy trusts as they manage these difficult circumstances and continue to operate and deliver for their pupils.

Signs of potential financial difficulty include, but are not limited to:

- low and declining levels of revenue reserves – suggesting an academy trust has insufficient contingency to deal with any unexpected costs
- repeated in-year deficits – academy trusts with a pattern of spending more than their income, indicates cost pressures are proving difficult to manage or adjust to
- if the academy trust does not have enough cash to pay its debts if they were all suddenly called in (current ratio)
- staff costs as a high percentage of income – there may be very valid reasons for this, but academy trustees need to understand the level of their costs so that they can be managed effectively
- repeated significant variance between budget forecasts and actual expenditure suggesting ineffective planning that did not accurately identify upcoming costs
- declining or fluctuating pupil numbers – lower numbers of pupils will bring reduced income for the school in future years and academy trusts will need to plan for and manage periods of variable income
- urgent, unplanned need to resolve estates or condition issues that cannot be met from existing budgets or reserves

What happens if your academy trust is struggling financially

Once Regions Group are aware of financial difficulty at an academy trust, our approach is to have a supportive conversation with them (and with the relevant religious authority for schools of religious character) to understand the challenges facing the trust. To inform this, we ask academy trusts to submit a financial plan, including an updated budget forecast, that will demonstrate a return to a sustainable position and build appropriate reserves as soon as possible.

Academy trusts are accountable for planning and managing their finances effectively and accurately, to deliver high quality outcomes and opportunity for their pupils

This plan gives us the latest financial position of the academy trust. It gives academy trusts the opportunity to go through their thinking with us and explain their strategy for addressing the situation, including any actions they are already taking.

Regions Group will offer advice to help refine the plan to reduce the recovery time. This can sometimes require difficult decisions for academy trustees and leaders, especially where choices about staffing or the curriculum may be needed. As part of these discussions, we will talk about the different support options available so that we can work with the academy trust to find an appropriate solution and agree the plan, (which may take several versions to confirm the way forward). It is important that the academy trust takes responsibility for the plan and its actions.

The academy trust knows its circumstances, community, and pupils' needs. It is best placed to own the strategy to address financial difficulties and has the responsibility to implement the agreed plan. In some cases, where financial recovery is not possible within an agreed timeframe (usually around 3 years) or there are critical cashflow issues, an academy trust may require additional financial support to protect pupils' interests and education to return to a financially sustainable position.

Once the agreed plan is underway, Regions Group will monitor the academy trust to make sure they implement it and that progress is made against the actions and timeframe agreed.

Alongside the financial returns required by the academy trust handbook, we may ask for copies of the management accounts that are supplied to academy trustees to help us monitor the financial position regularly. As it can take several years to

recover from a cumulative deficit position, we will engage regularly with the academy trust to make sure that it remains on course, especially as circumstances may change that require changes to the plan.

In most cases, we hope that by working with academy trusts who are facing financial difficulties, we can support them to return to financial stability. In some cases, for example where we find financial mismanagement, we may also consider formal action including issuing a notice to improve (NTI), which will set out the steps the academy trust must take to improve (see section on Formal Action: academy trust Notices to Improve).

When we provide financial support to academy trusts

Regions Group make decisions relating to academy trusts on a case-by-case basis and take account of the financial and educational position of the academy trust, as well as its governance.

DfE has published a [financial support framework](#) that sets out the criteria for accessing financial support, and the categories of support available to generate financial recovery. These are:

- [short term advance](#)
- [enabling financial recovery](#)
- [building financial capacity](#)
- [facilitating transfer – financially triggered](#)
- [facilitating transfer - educationally triggered](#)

Where financial support is considered appropriate, this is usually repayable to DfE and the repayment plan is agreed as part of the financial plan for the academy trust. We will consider non-repayable funding only where there is no other means to protect pupils' interests.

In most cases, we will add [conditions](#) to the financial support, which will be tailored to secure the long-term financial stability of the academy trust by requiring actions to improve and build strong governance and compliance with the academy trust handbook and their funding agreement.

In serious cases of financial difficulty, we may also require a Qualifying Floating Charge (QFC) on repayable support to protect government funds should the academy trust become insolvent.

Alongside consideration of financial support for an academy trust, we may consider formal action. The academy trust handbook provides [more information about intervention](#), including a non-exhaustive list of the kinds of circumstances in which we might issue a NTI.

A list of academy trusts receiving of financial support through this process is published annually as an annex in the [Sector Annual Report and Accounts \(SARA\)](#), setting out the amount received, as well as the category of financial support given.

Arrangements for paying and repaying additional financial support

The amount of support is agreed as an envelope of potential funding, with approval for the academy trust to draw funds up to the amount approved, based on the agreed forecasts in the academy trust's financial plan. The final amount received (and therefore repayable) may be less than the amount approved if the academy trust finds savings sooner and does not require the full amount to secure its recovery.

The payment profile and repayment plan are agreed as part of the approval of financial support. Payments from DfE are spread over a period of time (either across the academic year or over multiple years) so that funds are received at the point the academy trust needs them and are paid through the usual monthly pay run from DfE.

The academy trust will need to submit evidence of need to Regions Group to release the planned payments. The evidence required will be agreed with the academy trust to demonstrate the trust's progress against any conditions applied to the funding and adherence to the agreed financial plan. This will be confirmed in the funding letter issued to the academy trust.

Evidence usually consists of monthly management accounts, cashflow projections and any proof of payment of costs that are covered by the financial support from DfE, alongside anything specific to the bespoke conditions applied.

Our usual repayment term is 3 years, beginning in the financial year after the final payment has been received. Short term advances are repaid within 12 calendar months.

Academy trusts will not need to arrange for separate payments to repay the funds to DfE. Repayments will be made through amendments to future General Annual Grant (GAG) payments in line with the profile agreed as part of the financial plan. Academy trusts must contact Regions Group as soon as possible if they wish to amend the agreed repayment plan so that we can discuss revised arrangements with them.

What happens if an academy trust cannot recover financial stability

In the event that an academy trust is unable to recover financial stability and might close, Regions Group would need to consider options for structural change and may look to transfer the academy trust's academies into a stronger and financially sustainable multi-academy trust (MAT). This reflects our current practice as set out in the department's [information note for academy trusts about academy transfer](#). In doing this, Regions Group follow the same process as other Regional Director decisions around academy trust growth as outlined in [commissioning high quality trusts](#).

This process can take time. We will continue to work with the academy trust to ensure it can continue operating day-to-day so that there is continuity of education for pupils and the trust's obligations are met to the point of transfer.

Strengthening academy trust financial compliance

Most academy trusts deliver a high standard of financial management, meeting the requirements of the academy trust handbook and their funding agreements. Regions Group require academy trustees, to deliver strong governance and monitor the financial health of their academy trust to ensure the trust remains compliant and has the resources needed. The [academy trust governance guide](#) provides a manual for those involved in trust governance and provides essential information on the

academy trustees' role and legal responsibilities.

DfE has an effective academy oversight and assurance programme, using a range of sources including:

- academy trusts' independently audited accounts
- budget forecast returns
- management letters
- benchmarking data

If financial compliance concerns are identified, Regions Group will intervene in a way that is proportionate to the risk to public money and will preserve education provision for pupils.

Other areas of particular focus

Regions Group may also contact academy trusts about other areas of compliance to ensure that academy trusts are using their funds appropriately to deliver the best outcomes for children. We engage with academy trusts on topics, such as executive pay or high levels of reserves, to ensure high standards of transparency and accountability. We want to help trusts make decisions that represent good value for money and act in compliance with the academy trust handbook.

We will use the information submitted by academy trusts to identify trusts where we would like further information to ensure compliance with the academy trust handbook. We have a duty to ensure that academy trusts uphold high standards of transparency and accountability, including adherence to the [7 principles of public life](#) and the requirements of the academy trust handbook, especially where there is public interest in how academy trusts are choosing to use their funding.

We will contact academy trusts to ask for evidence of how they are complying with the requirements of the academy trust handbook and through this dialogue, we aim to ensure the right level of support and guidance for academy trusts in our contact with them.

Dealing with breaches of the academy trust handbook and funding agreement

We recognise that academy trusts deal with multiple transactions and decisions. The trust must ensure that these are compliant with the academy trust handbook and their funding agreement. Most issues that come to our attention are not significant enough to trigger concerns, but we want to be assured that the issue is isolated and is not because of wider problems at the academy trust.

Where these are identified, either by the academy trust itself (through their internal scrutiny or external audit processes) or as a result of our review, we expect the academy trust to rectify the issue quickly and make changes to prevent it happening again.

Where irregular transactions or issues are flagged in academy trusts' financial statements or through other means, we may follow up with the academy trust for assurances that action has been taken.

We will use this contact to signpost academy trusts to support such as good practice guides so that trusts understand how to return to full compliance. In some cases, we may only require the academy trust's assurance on how it will address the issue for the next set of financial statements. In others, we may ask for an action plan to set out the actions the academy trust will put in place and by when so that we can monitor progress more closely.

We will increase our action where an issue reoccurs in consecutive years in case an academy trust has not taken effective action to deal with the problem. In these instances, we are more likely to request an action plan and will assess what other actions may be required by the academy trust leadership to improve financial oversight and compliance.

We will support academy trusts in completing these actions by signposting them to support and wider resources to build their capability. We will escalate further where academy trusts repeatedly fail to engage with us effectively or provide the assurance we require to evidence their sustained compliance with the academy trust handbook and their funding agreement.

The types of financial issues we are likely to follow up with academy trusts include:

- late or incomplete financial returns, including budget forecast return, land and buildings collection tool, trust financial statements, accounts return, school resource management self-assessment checklist
- transactions that did not receive the required approval from DfE, ESFA or HM Treasury, including special payments, staff severance payments, and novel, contentious or repercussive (NCR) transactions
- irregular expenditure or using funds incorrectly
- unreported expenditure or any undeclared or non-compliant related party transactions (RPTs)

Where fraud or irregular transactions are identified, we may seek to recover funds associated to these payments from academy trusts. Decisions will always be made on a case-by-case basis, considering the financial position of the academy trust and the implications of recovering funds. We may also consider other methods of intervention if appropriate.

We will escalate our action sooner to protect public funds, and ultimately pupils' interests in some circumstances, including:

- where we find multiple breaches of the academy trust handbook or funding agreement, affecting a large amount of academy trust funds
- where breaches present reputational risk to both the academy trust and DfE, we will escalate our action sooner to protect public funds, and ultimately pupils' interests

Strong accountability is non-negotiable. We will take rapid action where academy trustees and academy trust leadership are unwilling or unable to fulfil their responsibilities under the academy trust handbook and funding agreement.

We will always start engagement with the academy trust by contacting the accounting officer, the chief financial officer and the chair of academy trustees (and in schools with religious character with the appropriate religious authority) to understand the circumstances at the academy trust.

We will explore why recurrent or multiple financial breaches have not already been addressed.

We will seek assurance that the academy trust is doing as much as possible to ensure compliance. Occasionally there may be valid reasons why swift action has not been possible.

Where we are unable to get sufficient assurance from the academy trustees and academy trust leadership, we will consider escalating to formal action and the possibility of issuing an NTI.

More detailed guidance is available at:

- [setting executive salaries: guidance for academy trusts](#)
- advice to help manage [academy trust reserves](#)
- [related party transactions: information for academy trusts](#) for when and how to declare related party transactions
- information for trusts considering [academies severance payments](#)
- information on compliance requirements for [academy trusts: off-payroll appointments](#)
- [academy trust financial management good practice guides](#)

Formal action: academy trust notices to improve

Under the intervention section of the academy trust handbook (part 6), DfE has the power to issue a NTI where we have concerns about the financial management or governance of an academy trust. The academy trust handbook gives examples of the kinds of grounds when an NTI may be issued for financial or governance reasons.

Issuing a Notice to Improve

Academy trusts will be aware an NTI is under consideration through our ongoing dialogue with them (and the relevant religious authority, if appropriate). Through this engagement, academy trusts will also be aware of the issues of concern and the actions we ask of them.

We have more confidence in an academy trust's capacity to improve where academy trusts are:

- engaging positively with us
- are actively taking steps to address our concerns
- understand what is required to ensure their compliance with the academy trust handbook and their funding agreement

We are likely to move to issue an NTI where academy trusts repeatedly:

- fail to engage with us
- are unwilling or unable to supply the information we request
- do not understand the seriousness of the concern we have raised

An NTI may remove the academy trust handbook delegated authorities from the academy trust, to protect public money while the trust addresses the issues.

We recognise that where there have been personnel changes (including within the academy trust governance structure), new academy trustees and leaders will be taking action to move forward from the situation. We may still issue an NTI to the academy trust to protect public funds until it is clear those actions are effectively addressing our concerns.

The factors we take into account when considering whether to issue an NTI include:

- the type and severity of the concerns
- the value of any funds involved
- the number of different issues or concerns
- whether the evidence shows actual breaches of the academy trust handbook or funding agreement
- whether the academy trust is already taking action and how effectively
- any relevant extenuating circumstances

When an NTI is issued, we will address it to the chair of trustees, copying in the accounting officer, the members of the academy trust, and the appropriate religious authority for schools with a religious character.

The academy trust must confirm receipt and then usually has 10 working days to fact-check the document before we publish it. We aim to publish NTIs 2 weeks after issue but in some circumstances, this process may take longer if it falls during public or school holidays, or if publication might affect ongoing investigations by other agencies. The academy trust must then also publish the NTI on its own website

within 14 days as required by the academy trust handbook.

Managing academy trusts under Notices to Improve

Academy trusts under an NTI may no longer have the delegated authorities for certain transactions, as set out in the academy trust handbook, and the academy trust must seek approval in advance from Regions Group before progressing any transactions relating to:

- special severance payments for staff
- compensation payments
- writing off debts and losses
- entering into guarantees, indemnities or letters of comfort
- disposals of fixed assets beyond any limit in the funding agreement
- taking up a leasehold or tenancy agreement on land or buildings of a duration beyond any limit in the funding agreement
- unspent GAG funding being carried forward from one year to the next beyond any limit in the funding agreement
- new arrangements for the pooling of GAG funding

There is no change to the requirement for approvals for NCR transactions. These must always be referred to DfE and HM Treasury for approval.

Requests for approvals for any of these transactions should be sent to Regions Group via the [Customer Help Portal](#) and academy trusts should allow reasonable time for DfE to consider the request, especially where HM Treasury approval may also be required.

As part of the correspondence with the academy trust, we will make it clear what evidence we require academy trusts to submit to demonstrate compliance with the specific conditions of the NTI. We will also set out how often we expect the academy trust to provide it, and how they should submit it to us. We routinely ask for:

- regular management accounts to monitor adherence to an agreed financial plan

- evidence of developing terms of reference or specification for any new reviews or governance committees (including external review of governance, internal scrutiny)
- evidence of action plans and progress made to implement recommendations from any external reviews (including governance, SRMA, auditor)
- evidence of completion of specific actions (including submission of financial returns to DfE, completed integrated curriculum and financial planning analysis, academy trustee approval of revised policies)

We expect academy trusts to be under an NTI for at least nine months so that a full cycle of financial returns can be completed, to demonstrate the academy trust's full compliance with the academy trust handbook.

Breaching a Notice to Improve

Academy trusts must conduct their academies within the terms and requirements of their funding agreement. It is a requirement of the funding agreement to comply with the academy trust handbook. It is also a requirement of the academy trust handbook to comply with an NTI.

The conditions of an NTI will have been selected to be proportionate to the issues of concern at the academy trust. The conditions will be targeted to address the actions needed to bring the trust into compliance with the academy trust handbook.

Academy trusts might begin to act prior to the NTI being issued, as they will be aware of the Regions Group's expectations and requirements through the ongoing discussions with us. The NTI conditions will detail the further actions we require the academy trust to undertake.

If progress against the conditions is unsatisfactory, we may issue a revised NTI with additional conditions to ensure the academy trust does take the appropriate action to comply. We may also consider such action if new evidence or concerns emerge that suggest the academy trust's governance or financial management remains weak.

If an academy trust fails to comply with the terms of an NTI, Regions Group will consider it a breach of the academy trust's funding agreement and will consider issuing a termination warning notice (TWN). In some circumstances, Regions Group may also consider potential options for structural change to protect pupils' interests (as set out in [support and intervention in schools](#), Chapter 6: Governance).

This will ensure that the governance and oversight of academies within the academy trust can move into a stronger multi-academy trust. This would follow the same process as other Regional Director decisions around academy trust growth as outlined in [commissioning high quality trusts](#).

In some circumstances, we may also refer the case to the Charity Commission, Insolvency Service or the police for further investigation.

Lifting and closing notices to improve

Once the academy trust has complied with all the conditions of the NTI and submitted sufficient evidence to DfE, we will progress lifting the NTI and restore any removed delegated authorities back to the academy trust.

Once approved, we will issue a letter to the chair of academy trustees (copying in the accounting officer, the members of the academy trust, and the appropriate religious authority for schools with a religious character), to confirm that the NTI has been lifted.

We will also publish this letter to confirm that the academy trust has met all the conditions. The academy trust may also remove the NTI from its website once Regions Group have published the letter lifting the NTI.

Where an academy trust closes before meeting all the conditions of the NTI, the NTI will close with the closure of the trust and we will publish a notice to this effect.

Where the academies of the academy trust have transferred into a new academy trust, there are no restrictions placed on the incoming academy trust as the NTI and its conditions remain with the outgoing academy trust, should that outgoing trust remain open.

Other information

If you need to get in touch with us, contact us through [Customer Help Portal](#) to:

- let us know you are experiencing financial difficulties
- declare or seek approval for a transaction

- ask for information
- submit a business case

For RPT transactions, please use the [online form portal](#).

We aim to respond within 15 working days and will work with you to resolve the query as quickly as we can. Where this includes a transaction approval request, academy trusts should allow reasonable time for this to be completed. If a transaction is potentially novel, contentious or repercussive, we will need more time to engage appropriately with HM Treasury.

If you have specific circumstances that you would like to discuss, or are considering changes to the academies within your trust, please contact your Trust Relationship Manager or your Regional Director's office.

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