IMP Software

MAT Finance Sector Insight Report 2025

Building forward-looking MAT financial visibility and understanding

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Confederation of School Trusts

Contents

Introduction

The financial health of multi-academy trusts is under growing strain. A convergence of cost pressures – from pay increases to falling pupil numbers and unfunded increases in demand for provision for children with special educational needs are squeezing budgets more than ever.

Our MAT CFO Insights Survey 2025, published in July and based on responses from over 150 multi-academy trust finance leaders, revealed ever-growing financial challenges across the sector despite many trusts describing their finances as "healthy". A high proportion of trusts have already moved into in-year deficits, are drawing on reserves at unsustainable rates, and face growing concern that these pressures will worsen in 2025/26 and beyond without adjustments in funding, policy or operational models.

At IMP Software we support smarter finance in multi-academy trusts with MAT-first solutions for budgeting, forecasting, reporting, ICFP and purchasing. Trusted by over 550 trusts across 6,000 schools, our platform gives leaders the visibility and insight to plan with confidence. With strong customer advocacy and five-star Trustpilot reviews, IMP has become a trusted partner for MAT finance teams and one of the UK's leading education software providers, helping trusts focus on what matters most: delivering the best outcomes for pupils in their care.

Last year, we published our first MAT Finance Sector Insight Report, highlighting the sector's direction of travel and offering valuable perspectives on MAT finance issues to support more informed, strategic decision-making. Drawing on future budget forecasts from 267 trusts taken from our IMP Planner system, and covering the period 2024/25 to 2026/27, it was the first-ever forward-looking analysis of MAT finances.

We're back this year with renewed focus and momentum. In September 2025, IMP customers received their Personalised MAT Benchmarking Reports (with more from our Head of Education Strategy and MAT Product Specialist, Warren Porter, here), showing how their Trust and schools compare to others of a similar size and context. Covering over 3,300 schools and providing the sector's only forward-looking dataset, these reports highlight spending patterns, staff structures, and opportunities for efficiency.

Inside this year's reports, MAT finance teams benefit from school-level benchmarking alongside Trust-to-Trust comparisons; a first-of-its-kind matching approach for special schools, based on pupil need profiles, to ensure comparisons are fair and meaningful; and the launch of our School Benchmarking Toolkit, enabling trusts to move beyond a static report and explore their data in ways never possible before.

It is this data from 274 trusts who met the pre-requisite requirements for the Personalised MAT Benchmarking Reports that has informed our MAT Finance Sector Insight Report 2025. Developed again with support from UHY Birmingham, this report draws on MATs' budget projections for the 2025/26 to 2027/28 financial years (as of 31st July 2025) and provides an exclusive and insightful snapshot of the financial trajectory of the academy trust sector.

In the following pages, we shine a spotlight on key issues such as surplus and deficit forecasting, income and expenditure, GAG and reserves pooling, school-level peer group comparisons with an additional lens applied to special schools driven by the primary need of pupils, and degrees of centralisation across business operations.

The analysis highlights rising financial pressures across the MAT sector, with the short-term trajectory underscoring both the tight budgets trusts face and the value of benchmarking data in informing robust financial planning. The financial outlook MATs have forecast for the next three years is another wake-up call for an overhaul of funding to better reflect the reality they face. Delivering a great education is about more than budgets and spreadsheets. Ultimately, the financial decisions trusts want to make are those which give children the best chance to thrive - supported by the teachers and support staff who encourage them to aim high and achieve.

Will Jordan
Co-founder, IMP Software

CST Foreword

Confederation of School Trusts

The primary concern for school trust leaders will always be education – but providing an effective education depends on having the right resources to do so. That is why the intelligence provided by this second annual financial insight report is so valuable for trust leaders, government, and policymakers. It sets out, quite starkly in places, the situation on the ground for our schools and trusts.

More than half of school trusts are expecting an in-year deficit for this academic year, calling on reserves to plug the gap between costs and funding. We have seen exceptional events in recent years – a pandemic; high rates of general inflation; unparalleled jumps in energy costs – and reserves can be a crutch on which to get through them. But this is not sustainable year after year, and falling reserves eventually hit the bottom.

As mirrored in our recent National School Trust Report, we see that school leaders have little choice but to look to staffing changes to reduce costs. Doing this without impacting on the quality of education we provide our young people is not an easy task.

I remember, though, that since their inception, school trusts have been innovators, and we have grown a culture of collaboration and cooperation.

Whether it is in the emerging fields of artificial intelligence, or the more familiar areas of shared services and curriculum-led financial planning, I know that colleagues across the sector will come together to find new solutions.

We see this hunger to keep improving in our CST professional communities, at our conferences, and in the work of partners like IMP Software.

Squaring these circles will not be easy, and the Confederation of School Trusts will robustly make the case for government to do its part too. Because we know the prize at stake – the continued flourishing of our young people – is the most precious thing we have.

Leora Cruddas CBE,
Chief Executive, Confederation of School Trusts

Executive Summary

→ The MAT Finance Sector Insight Report 2025 compiles budget forecasts from 274 multi-academy trusts for the 2025/26-2027/28 financial years.

Drawing on the only forward-looking dataset in the sector – covering over 3,300 schools – this report is grounded in evidence and highlights the financial trajectory of the MAT sector. It explores key issues such as surplus and deficit forecasts, pupil number predictions, SEN challenges, GAG and reserves pooling, MAT finance team structures, and every layer of trust budgets – right down to the drivers that matter the most, such as pupil-teacher ratios – with analysis across primary, secondary and special schools.

The main findings are:

↘ 55% of trusts are forecasting an in-year deficit for 2025/26. This marks a sharp deterioration from our 2024 Insight Report, where only 34% of trusts were expected to be in deficit for 2024/25, underlining the growing financial pressures facing MATs.

↘ A third of trusts expect to hold reserves below 5% of income at the end of 2025/26, a level considered potentially 'financially vulnerable' by the DfE. 50% of trusts predict they will fall beneath this level by 2028, and only 2% have reserves exceeding 20% of income, a worrying emerging picture for the sector.

↘ Trusts are now consolidating around the 5% of income reserves mark. This indicates increasing uniformity in financial vulnerability across the sector and suggests that a greater proportion of trusts will be operating with more limited capacity to absorb unexpected costs or invest strategically.

↘ Projected resilience does not appear to be strongly influenced by pupil deprivation (or trust size). Although additional funding is provided to support higher-deprivation cohorts, the associated costs limit trusts' ability to use this income to offset broader financial challenges, constraining their capacity to generate a surplus.

↘ In primary trusts teaching assistant FTEs are projected to fall at nearly three times the rate of pupil numbers. However, secondary trusts are projecting stable or slightly increasing pupil numbers, with little change to budgeted teaching assistant and teacher FTEs.

- GAG income per pupil varies considerably across the sector, highlighting the financial pressures faced by primary trusts. Lower funded trusts are facing the dual challenge of higher pupil-to-teacher ratios whilst also spending a large percentage of their revenue income on teaching costs.

- Teaching costs are rising faster than the headline pay award, reflecting the impact of increments and other factors. Trusts across primary and secondary settings appear to be absorbing the additional expenditure without corresponding financial recovery, highlighting another potential pressure point in budgetary planning.

- Variation in funding across special schools raises questions about equity of provision. Despite serving pupils with comparable levels of need, special schools receive markedly different income levels, suggesting that local funding approaches, rather than pupil characteristics, define what resource allocation is achievable.

- 22% of trusts now centralise all of IT, Payroll, Finance, HR, Procurement and Facilities, with IT most frequently centralised and Facilities the least. Finance staff costs per pupil remain fairly stable across small and medium trusts, but rise sharply in larger trusts where functions are not fully centralised - creating a much wider gap between centralised and non-centralised models.

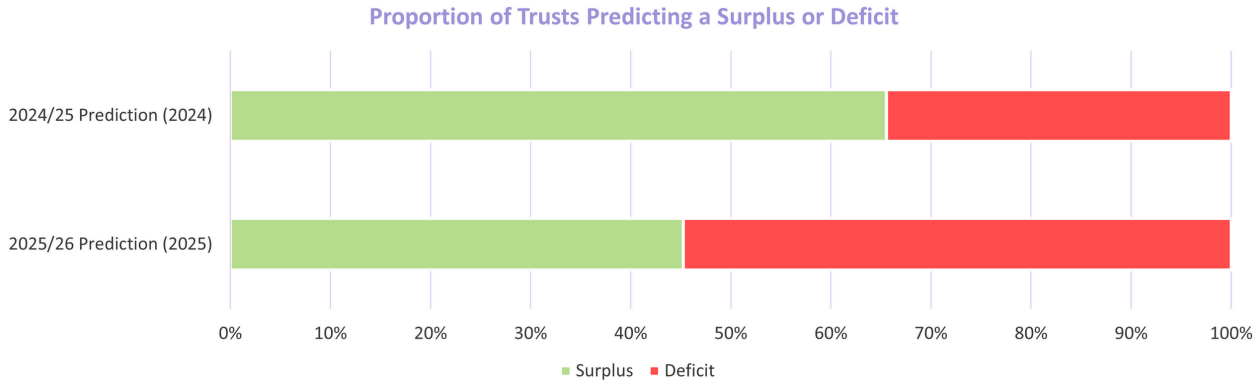
- Pooling of reserves is more prevalent than GAG, with 55% of trusts pooling reserves compared to 21% pooling GAG. While pooling is associated with an improved surplus/deficit position for 2025/26, this likely reflects its adoption by trusts starting from lower reserve levels and under greater pressure to balance their budgets.

Overall, the MAT sector is facing a period of constrained finances, with key pressures arising from declining reserves, varying pupil numbers, and rising staffing costs. Trusts' ability to allocate resources efficiently, manage SEN demands, and adopt appropriate centralisation and pooling strategies will be critical to maintaining operational stability in the coming years.

Reserve Levels and the Sector's Financial Trajectory

With multi-academy trusts (MATs) operating within some of the tightest budgets in the public sector, the careful monitoring of reserves remains critical to sustaining educational delivery and supporting long-term investment.

Against this backdrop, we examine how the financial outlook of the MAT sector has shifted over the past year by assessing the balance of schools forecasting surpluses and deficits. By comparing 2025/26 forecasts produced against the 2024/25 forecast position reported last year in our MAT Finance Sector Insight Report 2024, we can understand how the short-term financial landscape is evolving.



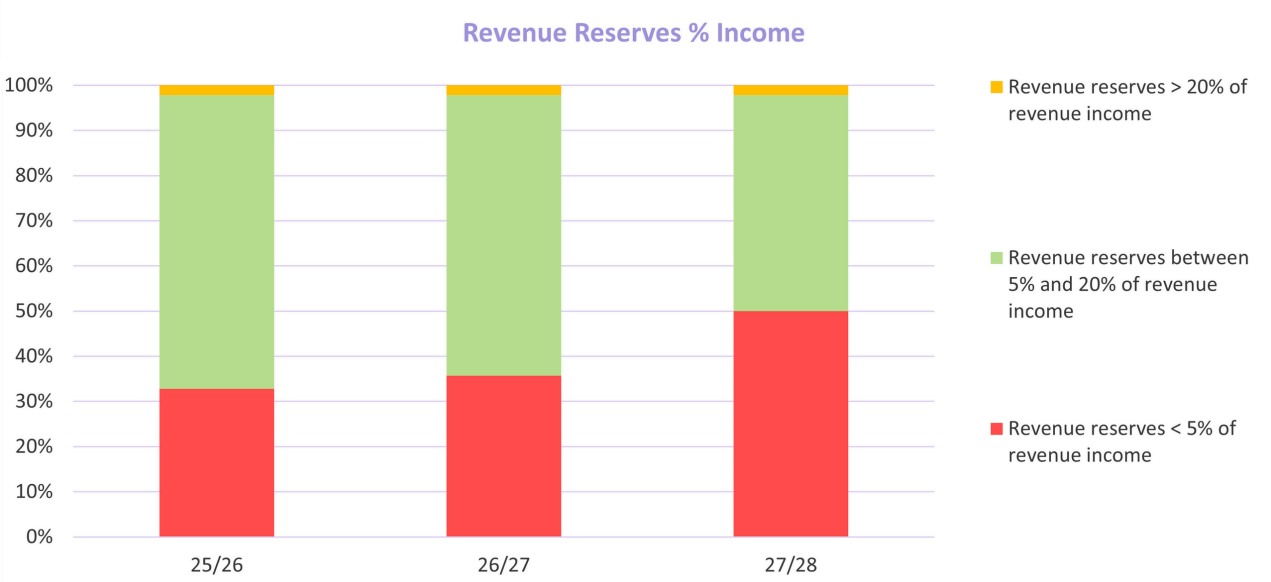
Source: IMP customer dataset - Surplus/Deficit excludes capital income and depreciation, but includes predicted contribution to capital expenditure from revenue reserves.

55% of trusts forecast an in-year deficit for 2025/26

The financial outlook for this coming year appears increasingly challenging, with 55% of trusts forecasting an in-year deficit. This marks a sharp deterioration from last year's Insight Report, where only 34% of trusts were expected to be in deficit for 2024/25. This direct comparison underscores the growing financial pressures facing trusts and highlights how quickly the short-term trajectory has weakened.

Reserves held by trusts, expressed as a percentage of total revenue income, provides an indicator of financial resilience. The Department for Education (DfE) publication, Managing academy trust reserves, notes that trusts with reserves below 5% of income may be financially vulnerable, whilst the focus around high reserves has been on those trusts holding more than 20% of total income.

Reserves play a crucial role in day-to-day financial management. They help trusts manage cash flow, absorb unexpected costs, and support strategic investment, providing a buffer that is important in a sector operating under tight budgets and rising financial pressures.

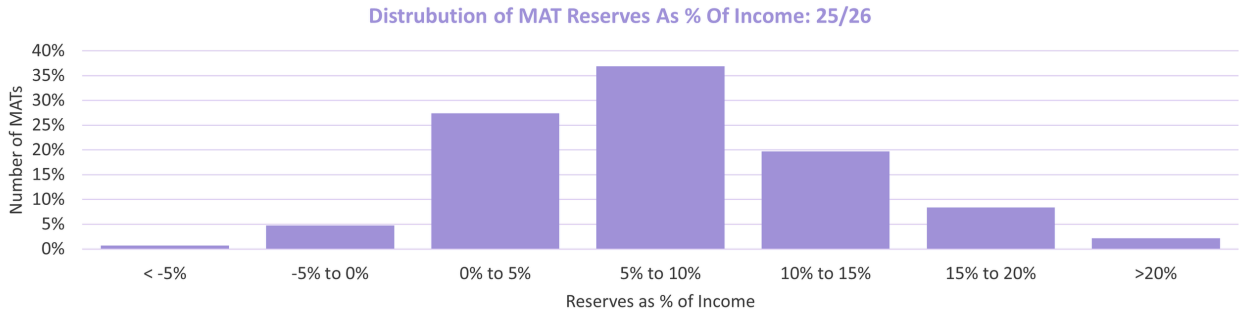


Source: IMP customer dataset - Trusts predicted revenue reserves at end of period compared to revenue income. Revenue reserves excludes fixed asset and pension reserves. Revenue income excludes capital income and notional income for academy transfers and conversions.

		% of Trusts		
		2025/26	2026/27	2027/28
Revenue reserves < 5% of revenue income		33%	36%	50%
Revenue reserves between 5% and 20% of revenue income		65%	62%	48%
Revenue reserves > 20% of revenue income		2%	2%	2%

50% of trusts are 'potentially vulnerable' in three years' time

Projections indicate that by 31st August 2026, approximately one-third of trusts will hold reserves below 5% of their income, placing them in a category the DfE identifies as potentially financially vulnerable. Over the following two years, this proportion is expected to rise further, with half of trusts anticipated to fall beneath this level by 31st August 2028. This trend highlights the increasing challenge for trusts to maintain adequate financial cushions amid tight funding.



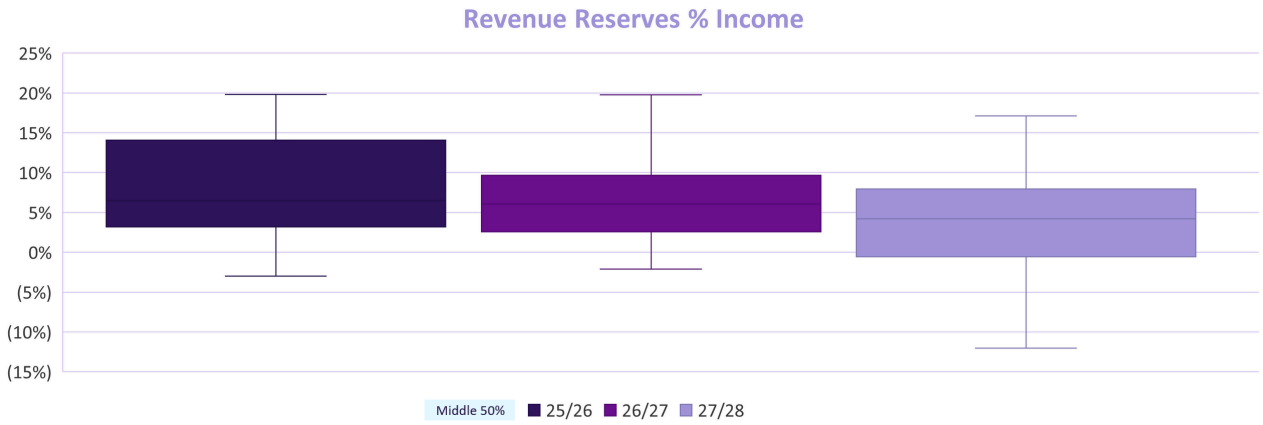
Source: IMP customer dataset - Trusts predicted revenue reserves at end of 2025/26 compared to revenue income. Revenue reserves excludes fixed asset and pension reserves. Revenue income excludes capital income and notional income for academy transfers and conversions.

Conversely, very few trusts maintain exceptionally high reserves. The DfE flags those with reserves exceeding 20% of income, yet among MATs this represents only around 2%. This contrast highlights the uneven distribution of financial resilience across the sector, with 70% of trusts projecting less than 10% closing reserves in 2025/26 and 20% between 10%-15%, thus only a small minority maintaining substantial surpluses.

This overarching financial deterioration highlights a worrying emerging picture for the sector. We can see how the outlook for 2025/26 and 2026/27 has changed from the predictions in the MAT Finance Sector Insight Report 2024:

Revenue reserves < 5% of revenue income	2025/26	2026/27
MAT Finance Sector Insight Report 2025	33%	36%
MAT Finance Sector Insight Report 2024	30%	37%

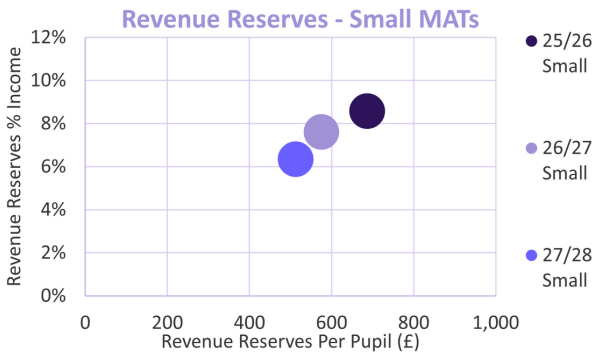
We can see last year's predictions are appearing to come true, so we can take that to give added confidence that the precarious picture painted in this year's report is a plausible outcome over the coming years.

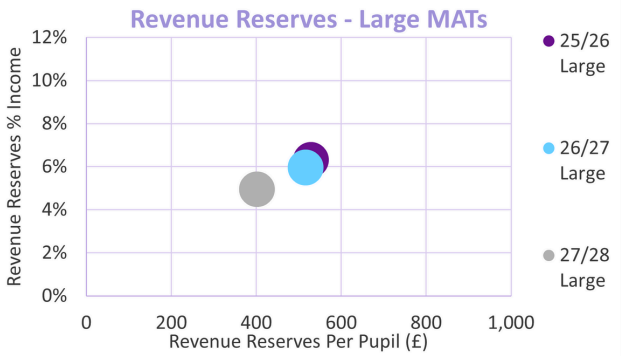


Source: IMP customer dataset - Trusts predicted revenue reserves at the end of each period compared to revenue income. Revenue reserves excludes fixed asset and pension reserves. Revenue income excludes capital income and notional income for academy transfers and conversions.

↘ Trusts are consolidating around the 5% of income within reserves mark

Whilst we can again observe the ongoing weakening of reserves, there appears to be a convergence around the 5% of income mark, with the middle 50% of trusts expected to be more tightly clustered by 2027/28 than in 2025/26. This concentration underscores the increasing uniformity of financial vulnerability within the sector, suggesting that a greater proportion of trusts will be operating with more limited capacity to absorb unexpected costs or invest strategically.



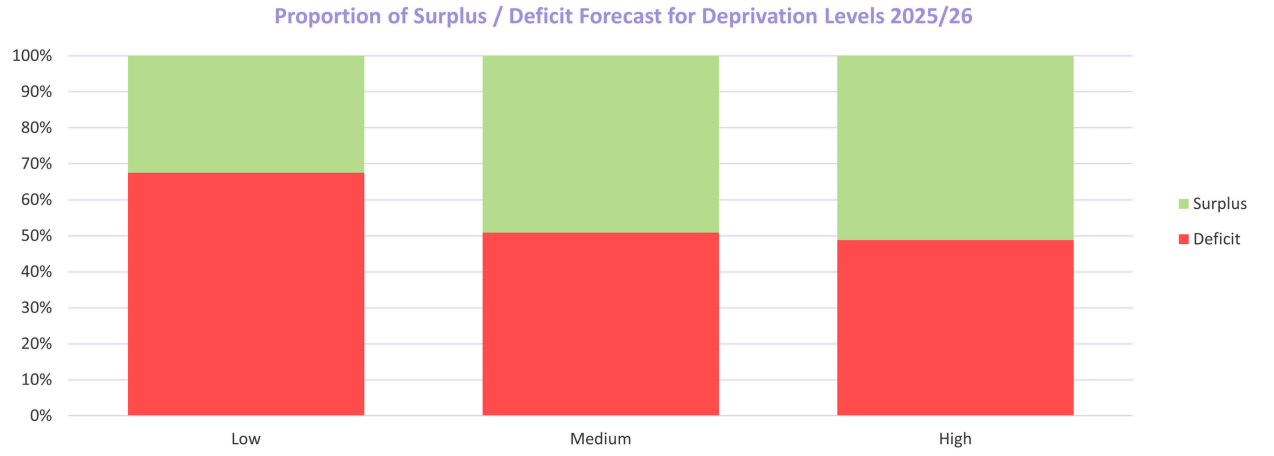


Source: IMP customer dataset - size determined by pupil numbers: predominantly Secondary Trusts - Small < 4,100, Large > 6,600. predominantly Primary Trusts - Small < 1,700, Large > 3,700. Mixed setting Trusts - Small < 3,500, Large >4,000

Revenue reserves % of revenue income	2025/26	2026/27	2027/28	Movement
Small MATs	9%	8%	6%	↓ (33%)
Large MATs	6%	6%	5%	↓ (17%)

The theme of convergence around the 5% of income mark is further apparent when comparing MATs by size. While both small and large MATs are feeling the effects of the sector-wide decline in reserves, large MATs appear to be decreasing at a slower rate.

It remains to be seen whether this convergence reflects the greater capacity of large MATs to absorb financial pressures, or whether lower initial reserve levels have carried through, forcing these trusts to work harder to maintain financial equilibrium.



Source: IMP customer dataset (Surplus/Deficit forecasts) & Get Information About Schools (FSM data) - Trusts with FSM % of greater than 30% = High, between 20% and 30% = Medium, less than 20% = Low. Trust FSM% has been derived by combining pupil information for all Trust schools'. Surplus/Deficit derived from predicted 2025/26 in-year closing position. Surplus/Deficit excludes capital income and depreciation, but includes predicted contribution to capital expenditure from revenue reserves.

↘ Trusts with higher levels of deprivation are not immune to the sector-wide financial pressures

In our 2024 Insight Report, there was a clear correlation between levels of deprivation, measured by the proportion of pupils eligible for Free School Meals, and a trust's ability to achieve a surplus, with MATs serving lower-deprivation populations generally faring worse.

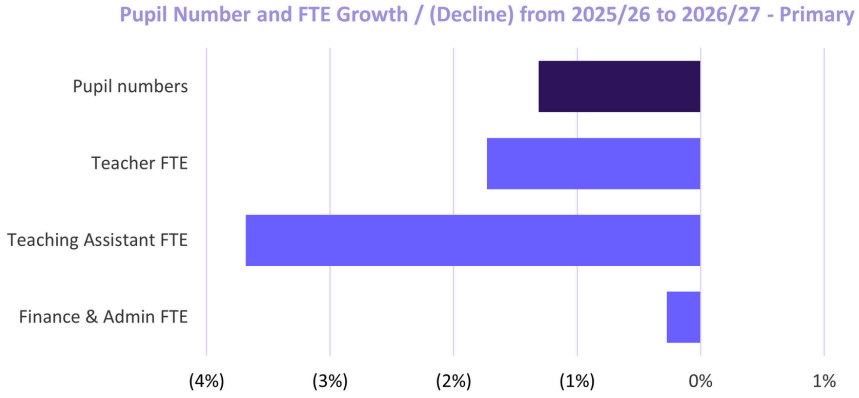
Revisiting this analysis in 2025, it is evident that trusts with higher levels of deprivation are not immune to the sector-wide financial pressures. Although additional funding is provided to support higher-deprivation cohorts, the associated costs limit trusts' ability to use this income to offset broader financial challenges, constraining their capacity to generate a surplus.

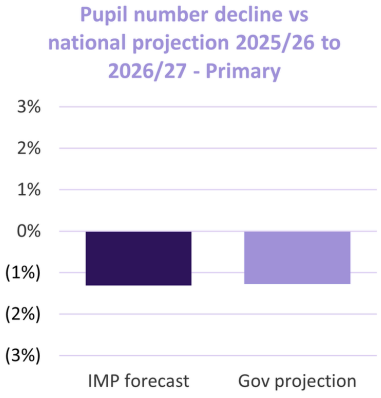
Resource Availability and Allocation

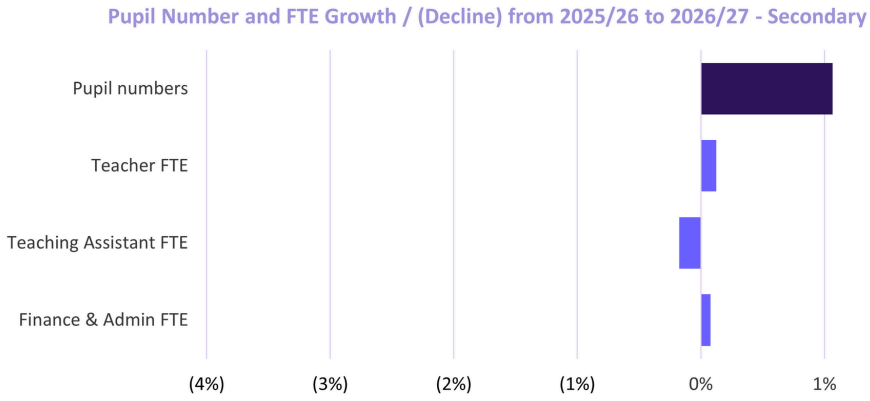
Pupil Numbers and GAG Income

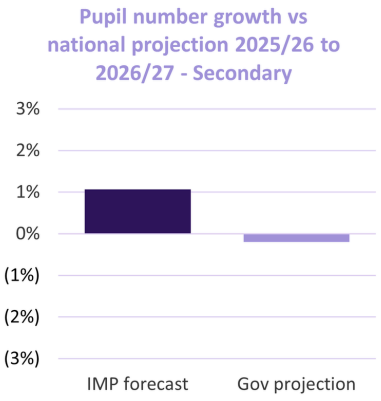
In the context of the financial pressures facing trusts, the effective allocation of finite resources is critical to sustaining educational delivery and achieving strategic priorities.

Pupil number projections are a key component of this assessment, as the number of pupils directly determines the level of funding available. Understanding how trusts plan and distribute resources in line with these projections provides valuable insight into both operational efficiency and financial resilience.







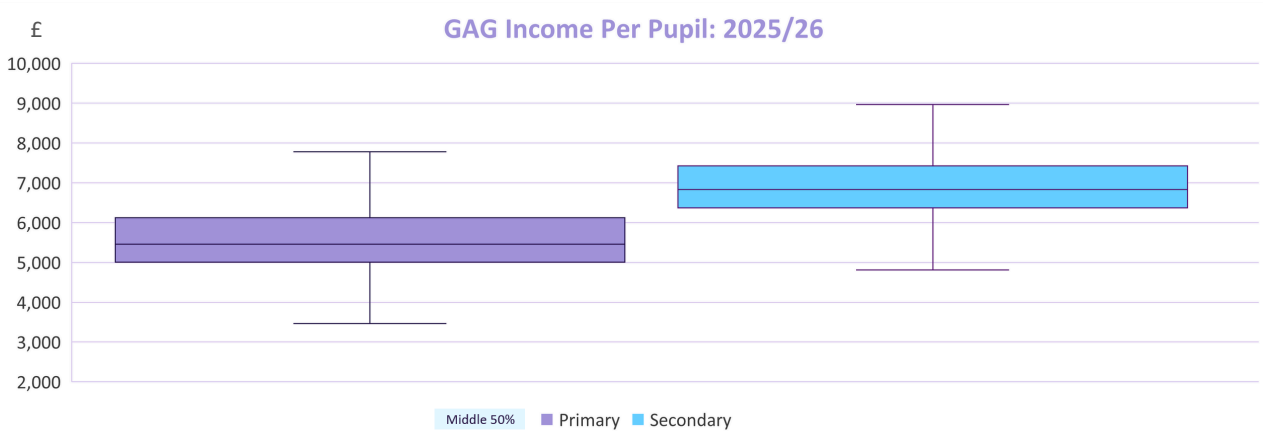


Source: IMP customer dataset (School pupil numbers and School FTE movements) & GOV.UK (National pupil projections)

↘ Falling rolls are driving primary trusts to scale back TA support to balance the books

Primary trusts are forecasting pupil number declines broadly in line with government projections. As a result, reductions are primarily focused on teaching assistants (TAs), with some adjustments to teacher numbers although this reduction is broadly in line with pupil number movement, while administrative staffing largely remains unchanged.

Secondary trusts, by contrast, are projecting a slight increase in pupil numbers, despite national forecasts indicating an overall decline. While the local context will vary between individual schools, there is a potential risk that some trusts may be underestimating future pressures. The anticipated stability in pupil numbers has broadly allowed secondary schools to maintain existing staffing levels.

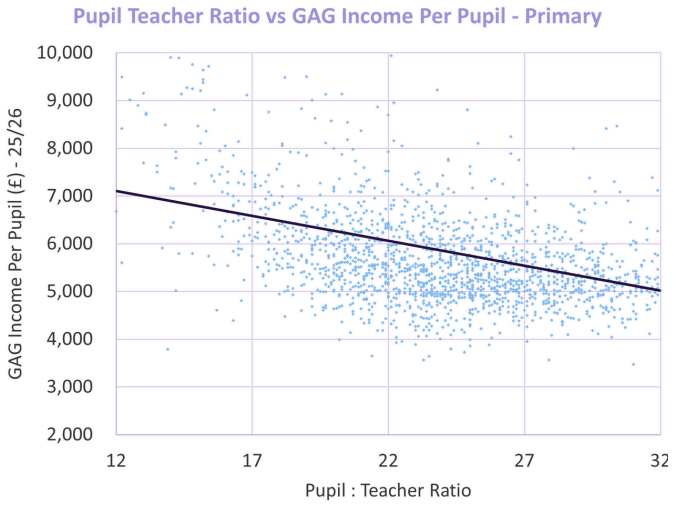


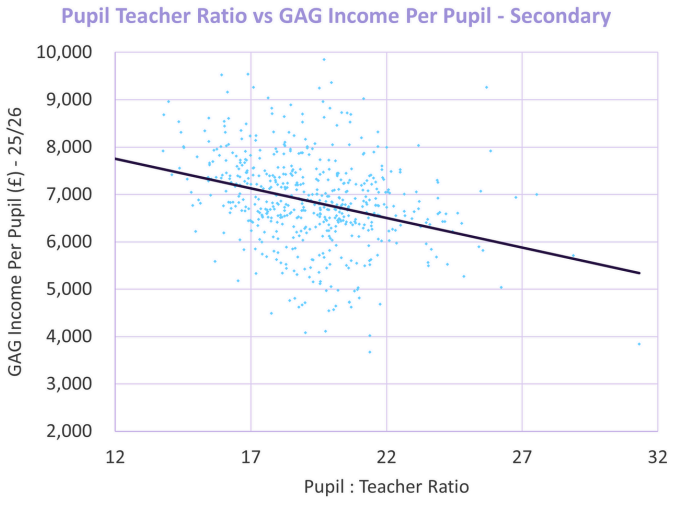
Source: IMP customer dataset. Excludes London schools.

The General Annual Grant (GAG) remains the primary source of income for the majority of trusts, yet there is considerable variation in the level of GAG funding received per pupil across the sector.

This disparity is particularly evident when comparing primary and secondary provision. The top of the middle 50% of primary trusts in terms of per-pupil GAG income falls below the bottom of the middle 50% for secondary trusts, highlighting the financial pressures faced by primaries. With lower income levels, these trusts have less flexibility to allocate resources effectively, while still managing a wide range of additional responsibilities such as supporting pupils with SEN, mental health needs, or developmental challenges, placing further strain on limited resources. We acknowledge the inherent differences in curriculum structures between primary and secondary education, and that these variations form a fundamental part of understanding their respective cost and staffing models.

Teaching Staff



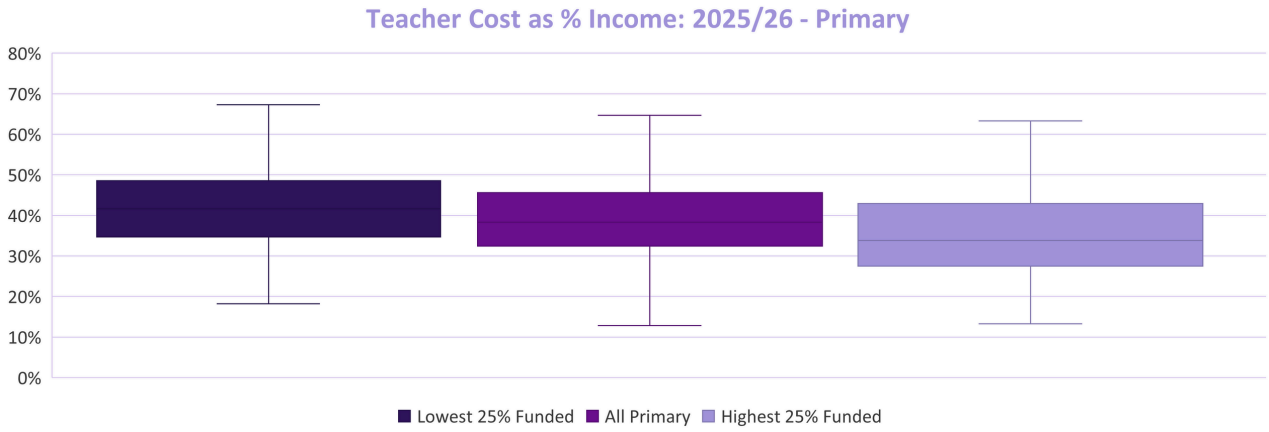


Source: IMP customer dataset. Excludes London schools.

Across both primary and secondary education settings, there is a strong correlation between GAG income per pupil and pupil-to-teacher ratios.

Trusts with lower per pupil funding tend to have higher pupil-to-teacher ratios, suggesting that limited income constrains their ability to maintain smaller class sizes and invest in teaching capacity. Conversely, trusts with higher per pupil funding are generally able to sustain lower pupil-to-teacher ratios.

This relationship highlights operational challenges faced by lower funded trusts. Over time, sustained high pupil-to-teacher ratios in lower funded schools may increase the pressure on staff, whilst not necessarily resulting in the balancing of the financial position.



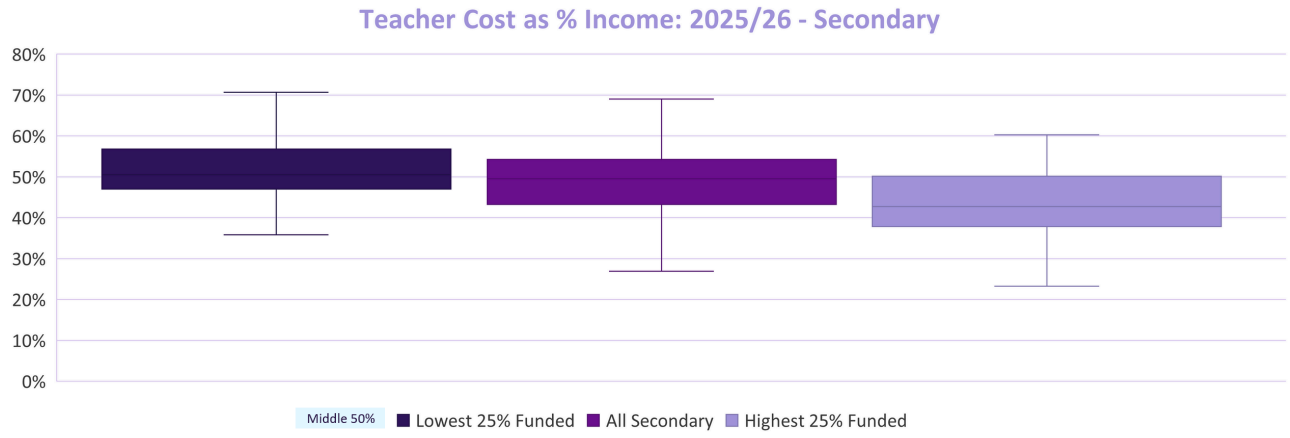
Source: IMP customer dataset. Excludes London schools. Lowest and highest funded based on GAG income per pupil

Lower income schools pay proportionately more for teaching but still face bigger class sizes

Reviewing teacher costs as a percentage of revenue income across primary trusts highlights a clear relationship between funding levels and staffing pressures. Trusts with higher per pupil funding are able to spend a lower proportion of their income on teaching staff.

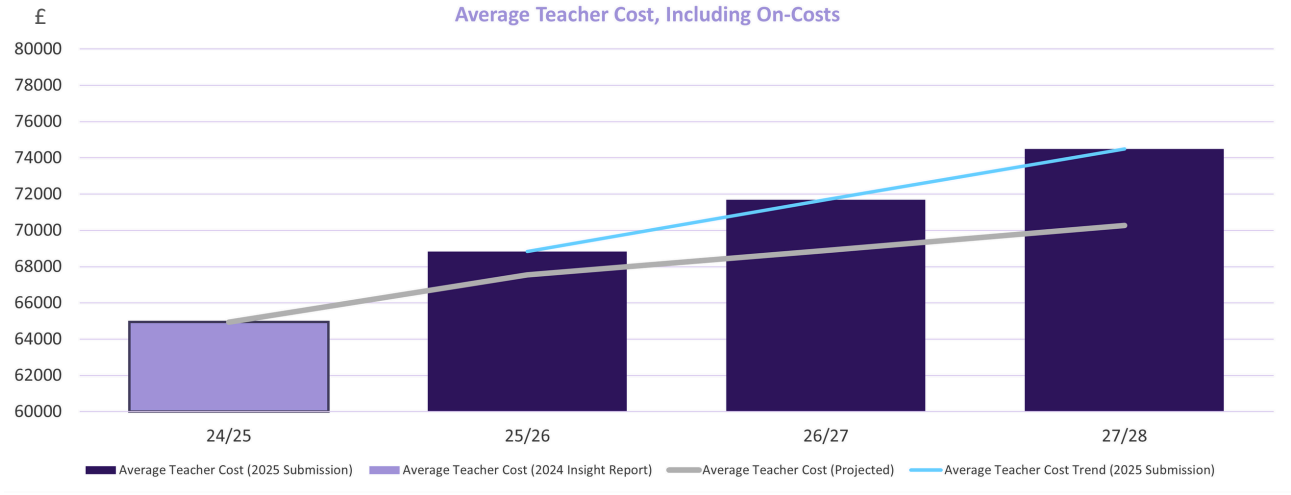
By contrast, lower funded trusts face a challenging combination, they have higher pupil-to-teacher ratios while also dedicating a larger share of their income to teaching costs. This dynamic outlines how funding levels appear to strongly influence a trust's operational flexibility and financial sustainability.

It is important, however, to exercise caution when interpreting simple benchmarks. Factors such as pupil deprivation, SEN requirements, and local context also play a significant role in determining staffing needs and cost pressures.



Source: IMP customer dataset. Excludes London schools. Lowest and highest funded based on GAG income per pupil

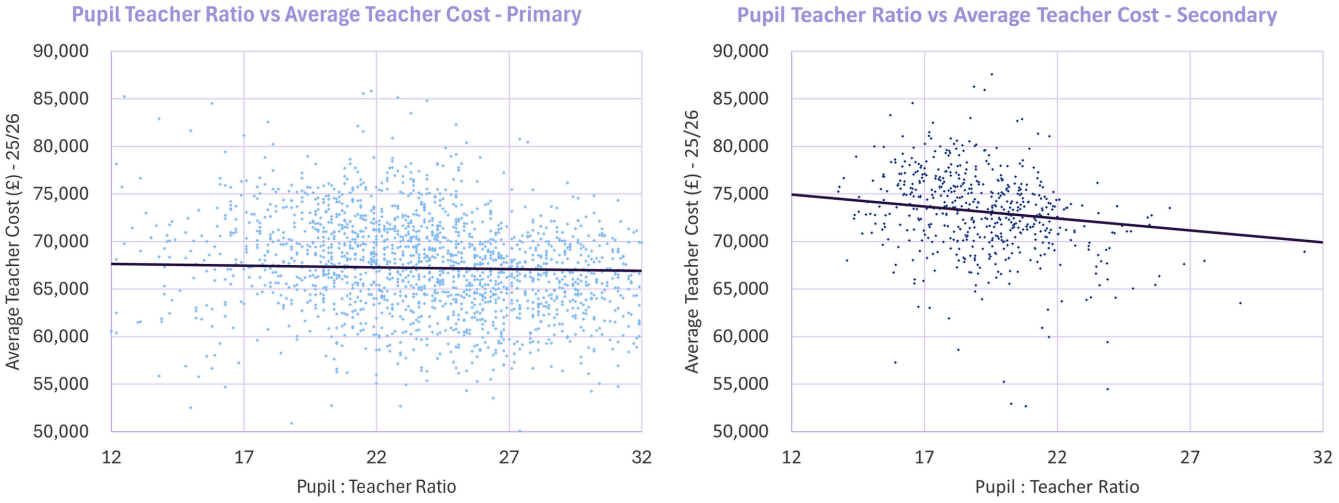
The picture within the secondary setting mirrors that of primary schools, with the lowest funded trusts on average allocating a higher proportion of their income to teaching staff costs. While there remains a notable degree of variability in how secondary schools spend on teaching staff, this variation appears somewhat more concentrated than in primary settings, reflecting a narrower range of resourcing strategies among secondary trusts, i.e. secondary schools have greater ability to have larger class sizes, whereas smaller primary schools have less flexibility. Primaries also have limited control over the number of subjects taught in each year group.



Source: IMP customer dataset - Excludes London schools. Teacher costs include salary, employers' national insurance and employers' pension contributions.

↘ Rising teacher costs are outpacing MAT expectations

We asked MATs for their teacher pay inflation assumptions, with trusts on average expecting 4% in 2025/26 and 2% in both 2026/27 and 2027/28. When compared with the predicted 2024/25 teaching costs from our 2024 Insight Report, it's clear that overall teacher costs continue to rise above the funded pay award levels. While incremental drift remains a known and significant driver of cost increases, many trusts do not explicitly model staff churn within their forecasts. As a result, budgets may overstate cost growth in some areas but still face pressure from pay progression that exceeds the levels funded nationally.

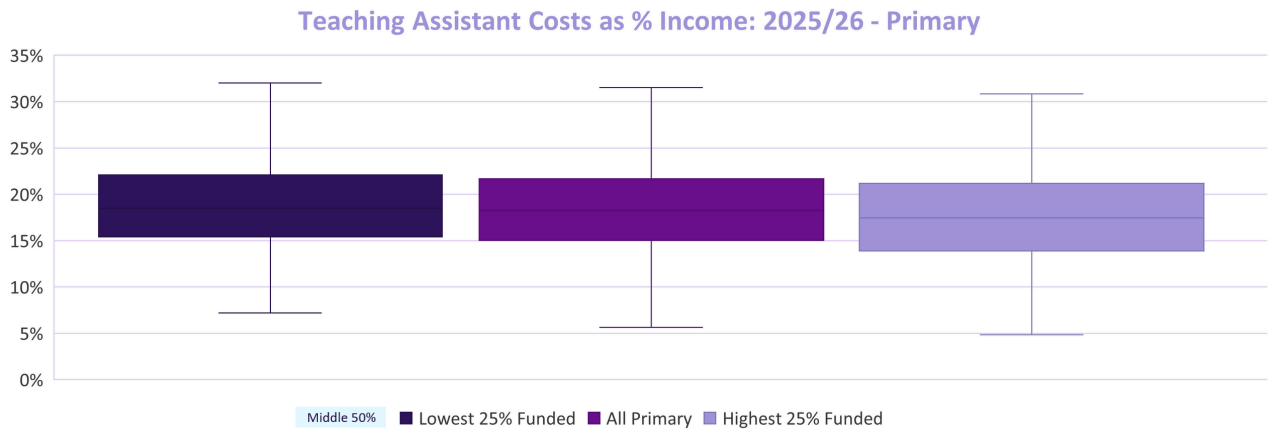


Source: IMP customer dataset. Excludes London schools.

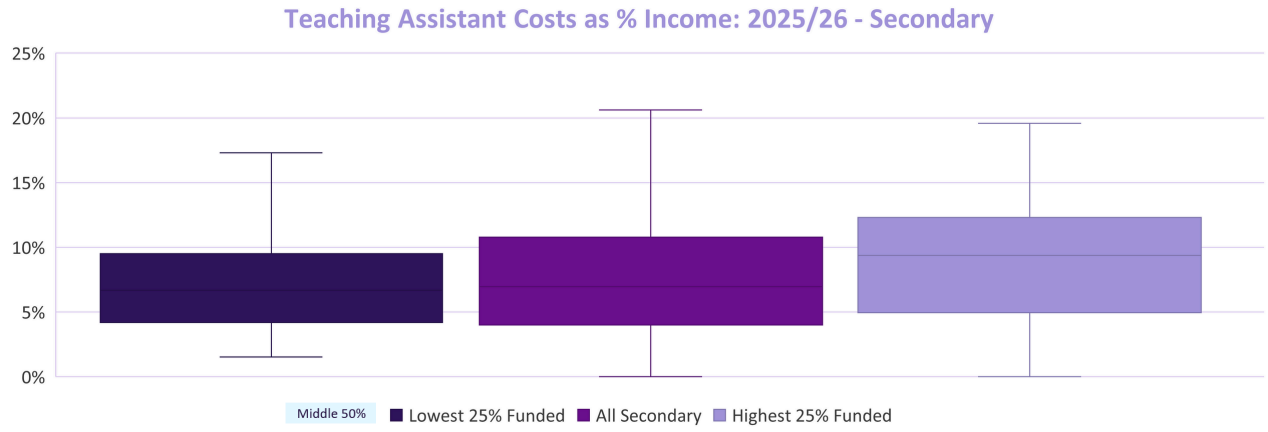
When reviewing pupil: teacher ratios alongside average teacher costs, no consistent relationship is evident overall. In secondary settings, there is a modest indication that higher-paid teachers tend to have lower pupil-teacher ratios, likely reflecting the use of experienced specialist teachers in smaller subject classes. This may, however, vary depending on curriculum structure and staffing models.

While employing higher-cost teachers may deliver operational benefits in terms of quality or experience, these costs are not generally offset by higher income from larger pupil numbers. This suggests that trusts are absorbing the additional expenditure without corresponding financial recovery, highlighting potential pressure points in budgetary planning when employing higher-cost teachers.

Teaching Assistants



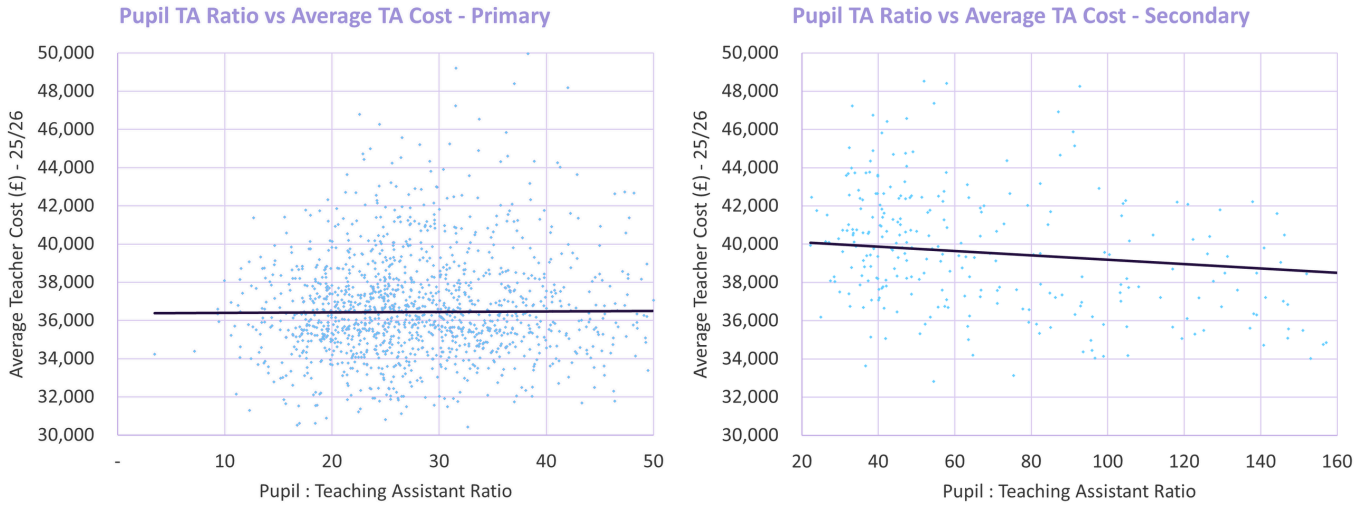
Source: IMP customer dataset. Excludes London schools. Lowest and highest funded based on GAG income per pupil



Source: IMP customer dataset. Excludes London schools. Lowest and highest funded based on GAG income per pupil

In primary schools, unlike teacher costs, there is no clear relationship between funding levels and the proportion of income spent on TAs. This suggests that other factors, such as the prevalence of SEN needs, are driving TA deployment, which we explore later in this report.

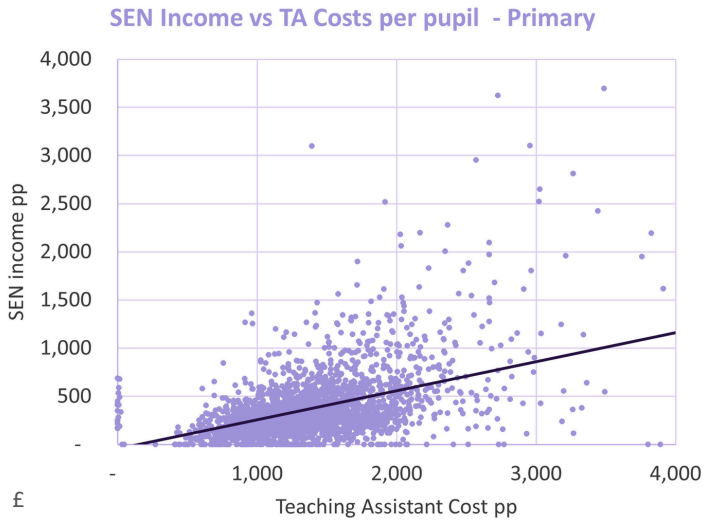
In secondary schools, by contrast, there is a form of correlation between higher funding levels and the proportion of income spent on TAs. Trusts with greater resources may have more capacity to deploy TAs strategically, for example to support targeted interventions, cover specialist subject areas, or provide additional in-class support, reflecting a combination of educational priorities and financial flexibility.

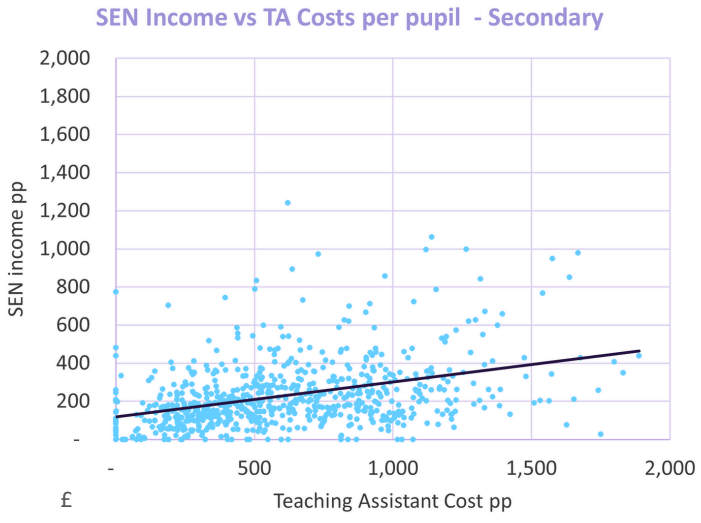


Source: IMP customer dataset. Excludes London schools.

When plotting pupil-to-TA ratios against average TA costs, no correlation emerges between larger class sizes and higher pay, akin to the earlier findings with teachers. The deployment of TAs appears more varied in secondary settings than in primary, reflecting the range of support needs across the two phases.

SEN in Mainstream



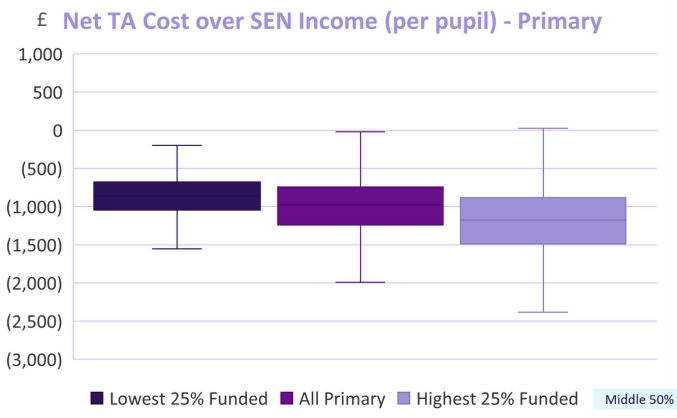


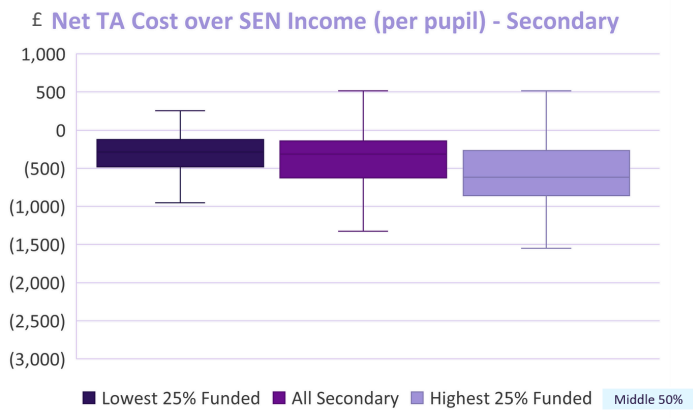
Source: IMP customer dataset. Excludes London schools.

Special Educational Needs (SEN) remains an area of particular focus, given the rising attention on increasing costs, disparities in funding, and the resources required to effectively support pupils with additional needs.

Properly managing these requirements places significant demands on trusts, both financially and operationally, highlighting the importance of strategic allocation of staff and support resources.

In the charts above, we have set out the SEN funding received per pupil against the TA cost per pupil, providing a visual representation of how resources are being deployed. This allows schools to benchmark their own position and assess how they align with others.



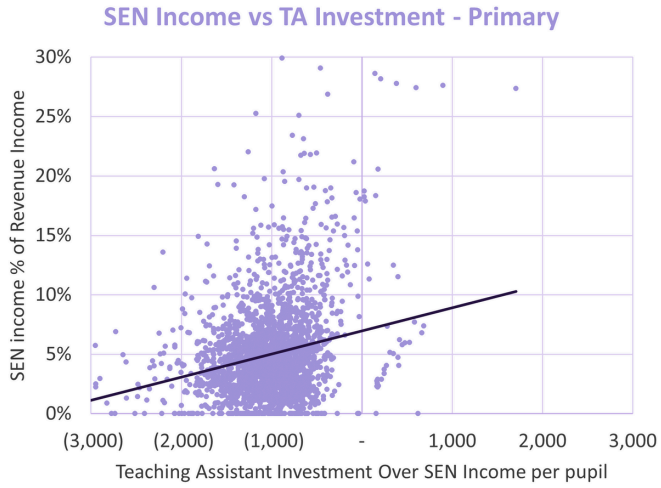


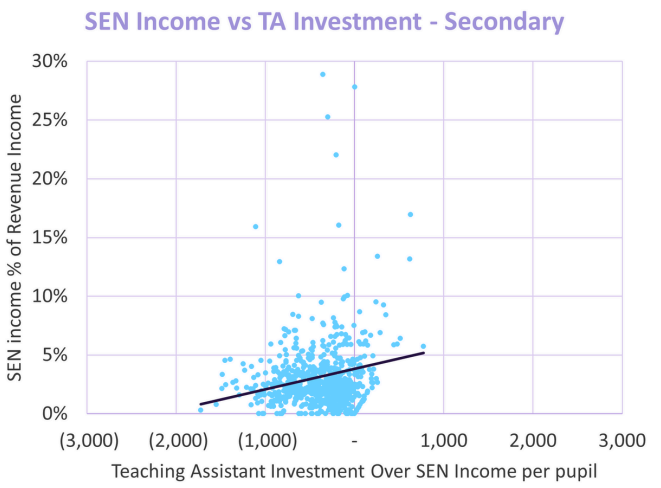
Source: IMP customer dataset. Excludes London schools. Lowest and highest funded based on GAG income per pupil

Low funding limits extra TA provision

We have identified the levels of investment in TA costs that exceed the SEN funding received. In primary schools, the characteristics of the pupil population often require investment in TAs irrespective of SEN funding, reflecting the diverse range of support needs present in these settings.

There is a correlation between higher GAG funded trusts and their ability to allocate additional resources to TAs. Lower funded trusts, by contrast, have limited flexibility to use general funding for extra TA costs, highlighting how overall funding levels directly affect a trust's capacity to provide support beyond standard requirements.





Source: IMP customer dataset. Excludes London schools.

Higher SEN funding means less reliance on general income for TAs

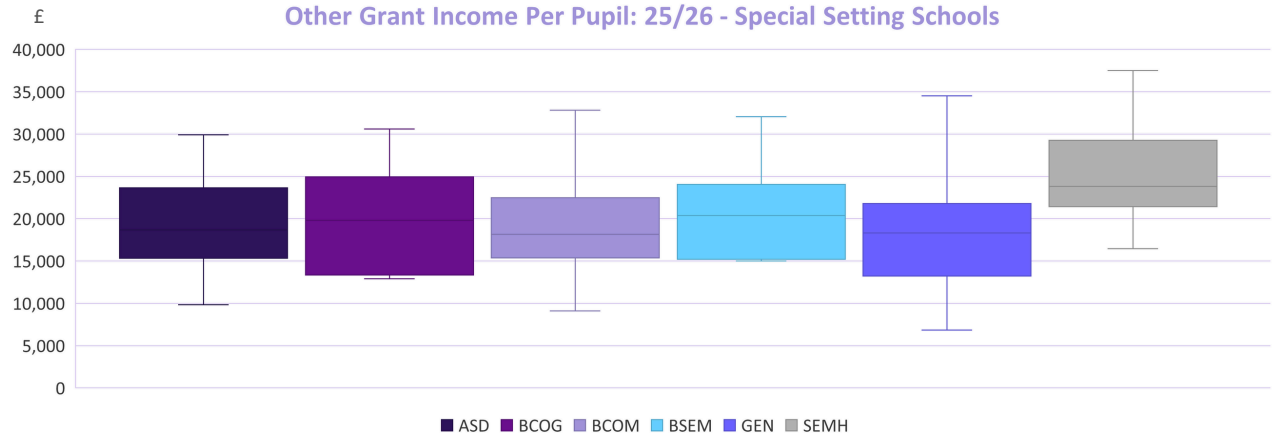
We have plotted investment in TA costs above SEN income against the proportion of SEN income to total revenue income. Despite significant variability, the analysis shows that trusts with higher proportions of SEN income are generally able to spend less per pupil on TAs beyond the funding received. This indicates that a greater share of SEN funding allows trusts to cover more of their TA costs directly, reducing the need to draw on general income to support additional provision.

Special School Settings

We recognise the limited benchmarking information available for special setting schools and have sought to address this gap.

Schools have been categorised based on the primary need of pupils where a clear majority exists, by broader need type if no majority is apparent, and using a generic match where neither approach applies. This classification is based on the Special educational needs in England: January 2025 census. While this represents the best publicly available dataset, we recognise it is not perfect; however, it provides a meaningful indication of spending patterns across different types of special schools.

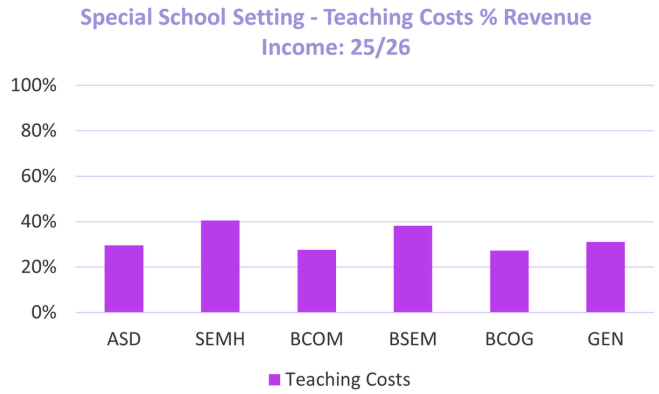
ASD: Primary Need - Autistic Spectrum Disorder; SEMH: Primary Need - Social, Emotional and Mental Health
BCOM: Broad Need - Communication and Interaction; BSEM: Broad Need - Social, Emotional and Mental Health; BCOG: Broad Need - Cognition and Learning; GEN: Mixed Need - Generic

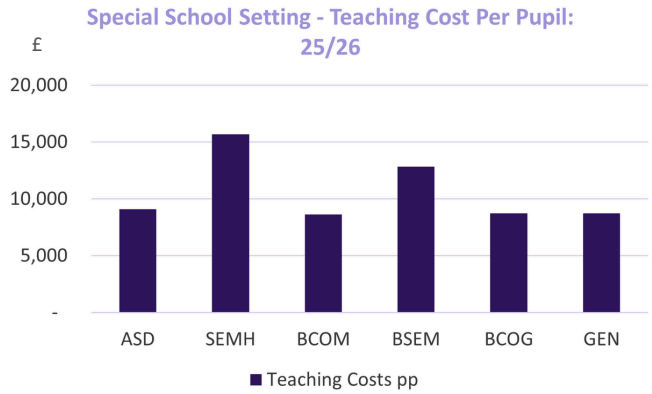


Source: Primary need based on the January 2025 school census (state-funded schools). Department for Education, Special educational needs in England, academic year 2024/25 (published 12 June 2025).

Even when grouped by need type as outlined above, there remains considerable variation in the income received within each category. This variation may reflect differences in local authority funding approaches, pupil profiles, and the mix of individual needs within schools, all of which can make financial planning more complex and point to potential inequities across the system.

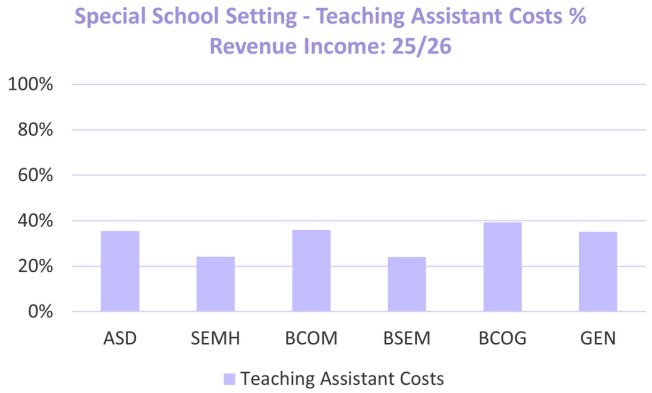
Funding disparities persist even among pupils with similar Special Educational Needs

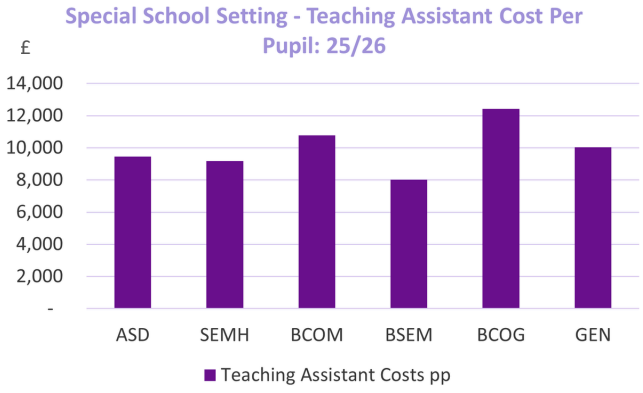




Source: Primary need based on the January 2025 school census (state-funded schools). Department for Education, Special educational needs in England, academic year 2024/25 (published 12 June 2025).

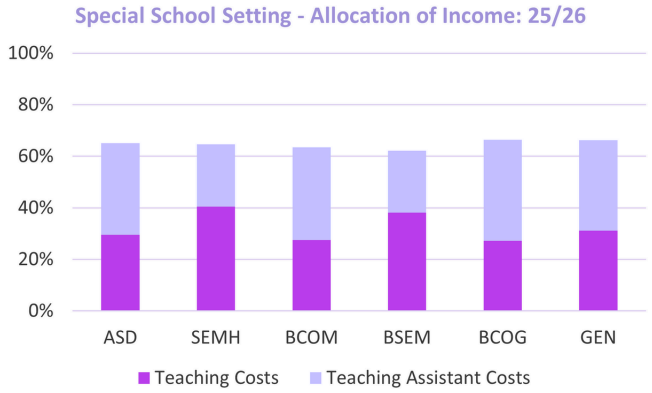
Across the different need types, the proportion of income allocated to teaching costs varies, ranging from 27% to 41%. Trusts supporting pupils with Social, Emotional and Mental Health (SEMH) needs not only record the highest spend per pupil, but also dedicate the largest share of their income to teaching costs. This reflects the intensive teaching staff requirements within SEMH settings, where smaller class sizes and specialist provision are often essential to meeting pupils' needs.

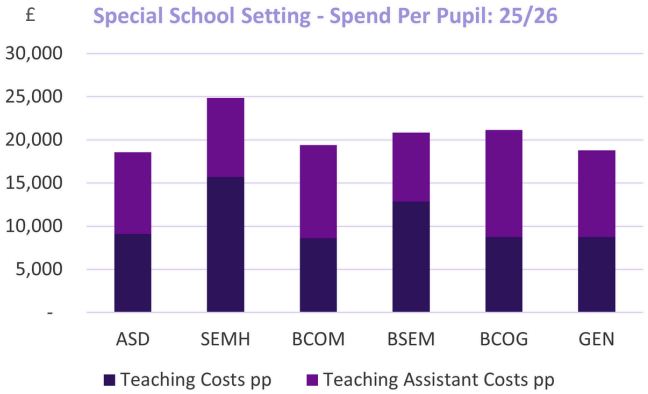




Source: Primary need based on the January 2025 school census (state-funded schools). Department for Education, Special educational needs in England, academic year 2024/25 (published 12 June 2025).

TA costs also show wide variation across need types, averaging between 24% and 39% of income. Trusts supporting pupils with needs in the broader need area of Cognition and Learning (BCOG) allocate the highest spend per pupil and the greatest proportion of their income to teaching assistants.





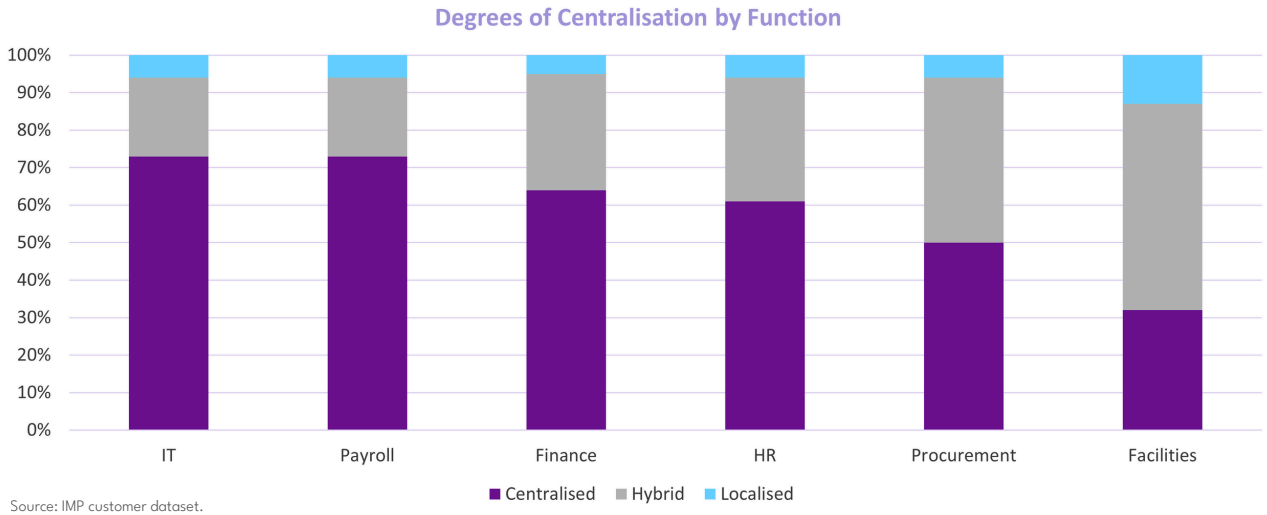
Source: Primary need based on the January 2025 school census (state-funded schools). Department for Education, Special educational needs in England, academic year 2024/25 (published 12 June 2025).

↘ Teacher and TA splits differ by need type, but combined spend stays within 60–70% on average

Across all identified need types, the combined expenditure on teachers and TAs consistently accounts for around 60% to 70% of total costs, though the balance between the two roles varies depending on the setting. This underlines the centrality of classroom staffing in special schools' cost structures, with most resources directed towards direct pupil support. The remaining proportion must be stretched across leadership, wider support staff, and essential non-pay expenditure, often leaving limited flexibility to respond to emerging pressures to invest strategically.

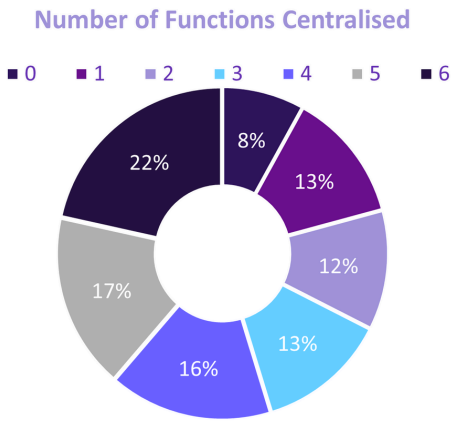
Centralisation Analysis – Degrees of Centralisation

As part of our data collection from the 274 MATs, we examined how six key functions are managed, asking whether these were delivered through a centralised model, delegated locally, or operated under a hybrid approach.



Source: IMP customer dataset.

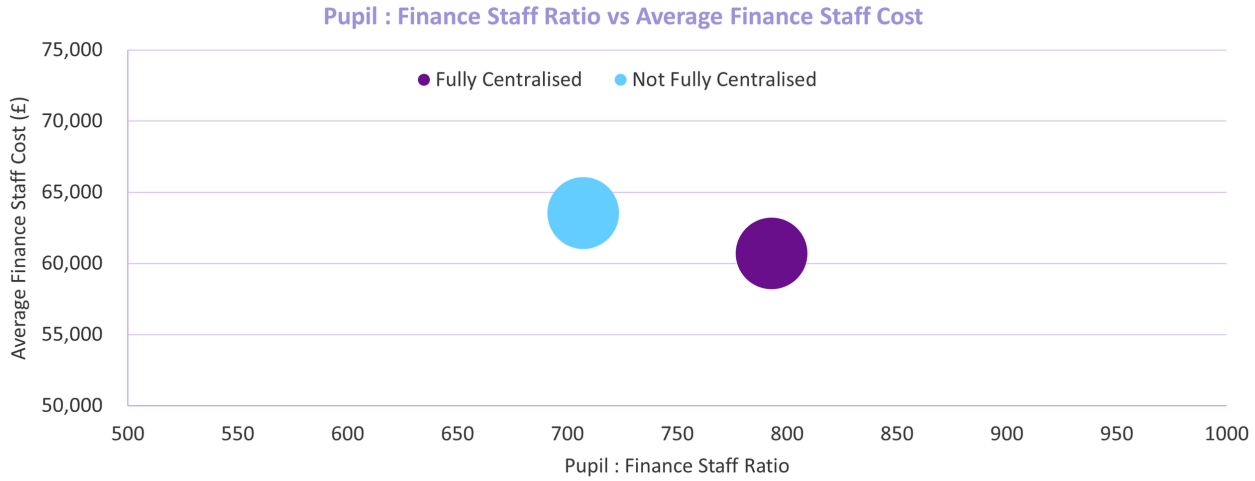
The majority of functions are now managed either centrally or through a hybrid model, with very few remaining fully localised. Among these, IT has seen the highest level of centralisation, reflecting the efficiencies and standardisation that can be achieved through a trust-wide approach. In contrast, facilities management remains the least centralised, often requiring a more site-specific response that limits the appetite for full consolidation for some.

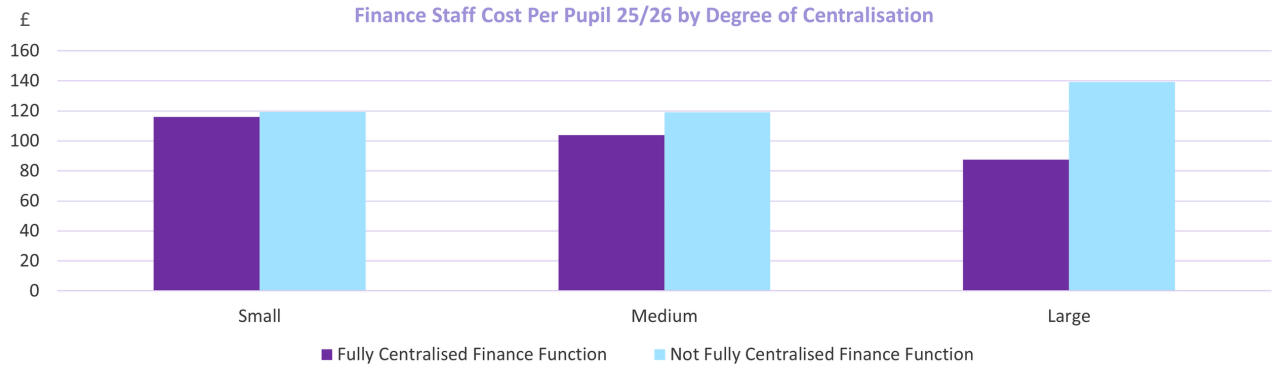


Most trusts keep some functions local; only 22% centralise these six key functions

Examining the proportion of the six functions that each trust has centralised reveals a varied picture across the sector. While only 22% of trusts have fully centralised all six functions, the majority have centralised four or more, highlighting a strong trend towards central control. For larger MATs, the increasing scale and complexity of legislative and compliance obligations may necessitate a more centralised operating model.

MAT Finance Teams





Source: IMP customer dataset - size determined by pupil numbers: predominantly Secondary Trusts - Small < 4,100, Large > 6,600. predominantly Primary Trusts - Small < 1,700, Large > 3,700. Mixed setting Trusts - Small < 3,500, Large >4,000

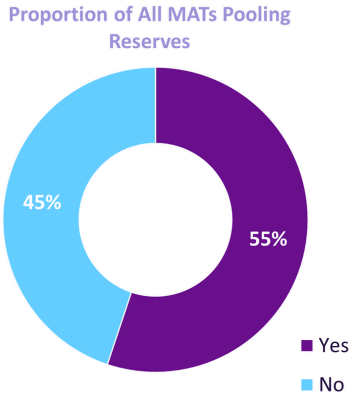
→ Focusing specifically on the finance function, we separated finance team costs from general admin to allow comparison across different team structures.

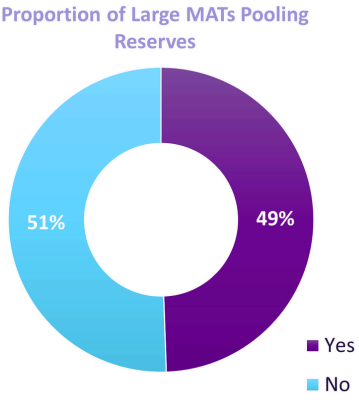
Trusts operating a hybrid model of centralisation tend to have higher average finance staff costs, with fewer pupils per finance FTE compared to fully centralised finance teams. This indicates that centralised models not only benefit from lower average staff costs but also support more pupils per FTE, reflecting greater efficiency in team structure and resource deployment. However, this analysis focuses on cost and staffing efficiency rather than the overall effectiveness of the finance function.

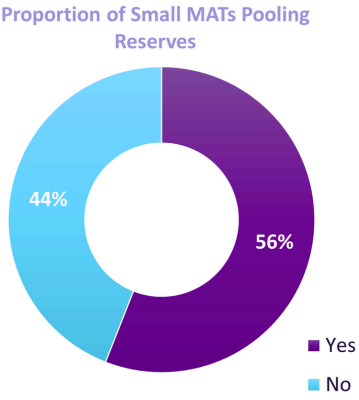
Breaking this down by MAT size, smaller and medium trusts show relatively similar finance staff costs per pupil across both models. However, for larger trusts, per-pupil costs increase considerably when finance functions are not fully centralised, and the gap between centralised and non-centralised structures becomes much more pronounced. This may reflect the growing complexity and resource demands of managing devolved finance functions at scale.

GAG and Reserves Pooling

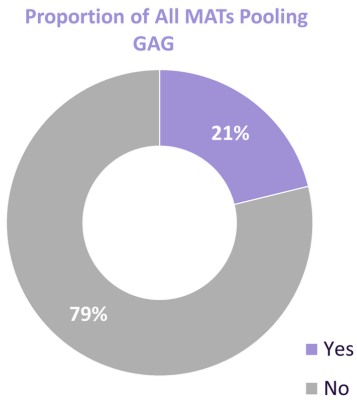
We also asked trusts two key questions: do they pool their reserves, and do they pool their GAG funding. The answers reveal how trusts manage resources across schools and the extent of financial integration within the MAT.

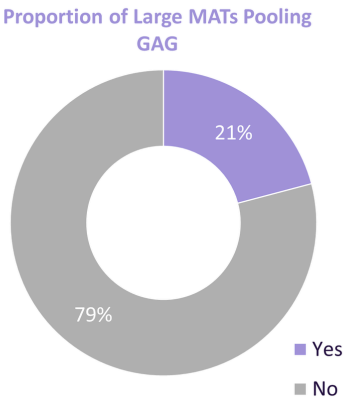


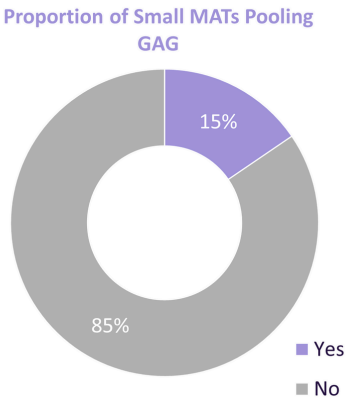




Source: IMP customer dataset - size determined by pupil numbers: predominantly Secondary Trusts - Small < 4,100, Large > 6,600. predominantly Primary Trusts - Small < 1,700, Large > 3,700. Mixed setting Trusts - Small < 3,500, Large >4,000



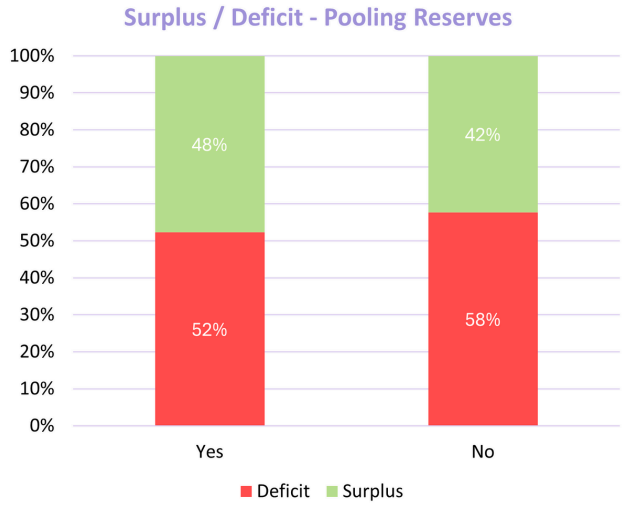


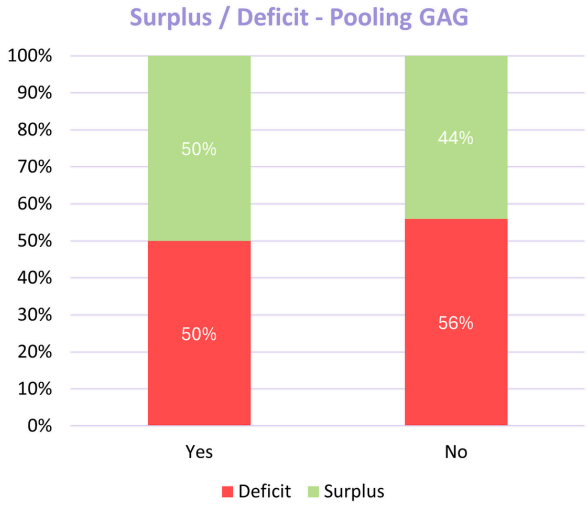


Source: IMP customer dataset - size determined by pupil numbers: predominantly Secondary Trusts - Small < 4,100, Large > 6,600. predominantly Primary Trusts - Small < 1,700, Large > 3,700. Mixed setting Trusts - Small < 3,500, Large >4,000

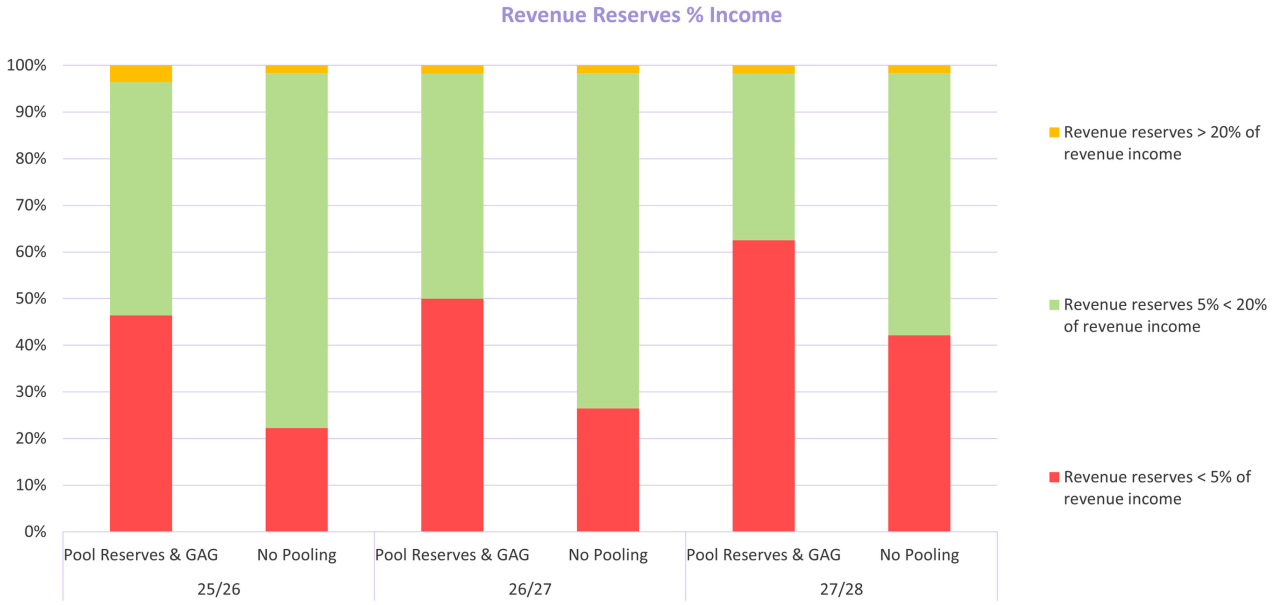
55% of MATs pool reserves, just 21% pool GAG

The data shows that a majority of MATs pool reserves, with 55% doing so, while only 21% pool their GAG funding. There is little difference between smaller and larger trusts, with only minor variations observed across both types of pooling, indicating that the approach to pooling is broadly consistent regardless of MAT size.





Source: IMP customer dataset - Surplus/Deficit excludes capital income and depreciation, but includes predicted contribution to capital expenditure from revenue reserves.



Source: IMP customer dataset - Trusts predicted revenue reserves at end of period compared to revenue income. Revenue reserves excludes fixed asset and pension reserves. Revenue income excludes capital income and notional income for academy transfers and conversions.

Pooling resources is not a silver bullet in balancing budgets. For some trusts, it may be a response to budget pressures, for others, a way to manage lower reserves with greater assurance

Pooling, whether of reserves or GAG funding, is generally associated with an improved surplus/deficit position for 2025/26. This is likely influenced by the fact that trusts adopting pooling often start with lower reserves and are under greater pressure to balance their budgets. In this sense, pooling can act both as a response to financial necessity and as a tool to stabilise resources across schools.

Trusts that do not pool funds typically begin from a stronger financial position, yet the sector-wide outlook shows that no approach is immune to the wider financial pressures. While higher reserves are generally a marker of financial health, there is also an argument that reserves held closer to 5% of income may be more optimal, as this ensures funds are actively supporting pupils rather than being held back.

Acknowledgments

We would like to thank our professional services partner, UHY Birmingham, for their invaluable expertise and support throughout this project.

We would also like to express our deepest gratitude to all IMP Software customers who have worked diligently on their data to meet the necessary prerequisites for their Personalised MAT Benchmarking Report and School Benchmarking Toolkits, which utilises these trusts' budget data projections for the 2025/26, 2026/27 and 2027/28 financial years from our IMP Planner system.

Their commitment to ensuring data accuracy has been critical to the success of delivering those personalised reports, allowing them to see how their trust compares with others of a similar size and context, and now this summary MAT Finance Sector Insight Report 2025.

Finally, we would like to extend our thanks to colleagues at the Confederation of School Trusts (CST) for their strategic contribution to this report, and specifically Leora Cruddas CBE for her Foreword.

Feedback
We would like to hear your thoughts on how we can make the MAT Finance Sector Insight Report 2026 even better. Your feedback is important to us and will help improve the report's content, presentation, and overall value.

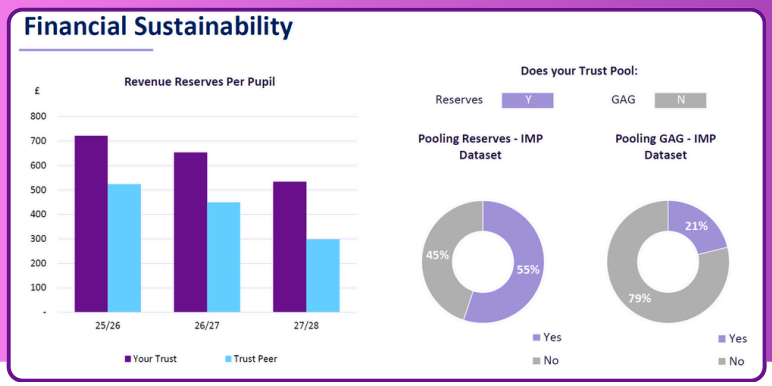
Click here to share your feedback.

Contact Us
IMP Software
hello@impsoftware.co.uk
impsoftware.co.uk

Disclaimer
This report is intended to provide general benchmarking insights based on the data submissions received and methodology outlined within the report. All insights provided in this report are for indicative benchmarking and decision-support purposes only - you should seek independent advice if required before making any decisions based on the results and no liability is accepted for any loss, damage or consequence resulting directly or indirectly from any such decisions that you make. Note a number of graphs in the report exclude London schools to remove funding and cost distortions.

What you could unlock as an IMP customer!

IMP customers benefit from unmatched benchmarking resources - revealing strengths, weaknesses and outliers, and showing exactly how their trust and schools compare to peers and to the sector as a whole.



They each receive a tailored MAT benchmarking report that sets their trust alongside peers across a wide range of areas. It provides clear visibility of where your trust is aligned with, or diverging from, sector norms, covering key themes such as financial and reserves sustainability, degrees of centralisation, MAT finance teams, GAG and reserves pooling, higher-paid staff, pupil number projections, and pupil–teacher and TA ratios – amongst many more.

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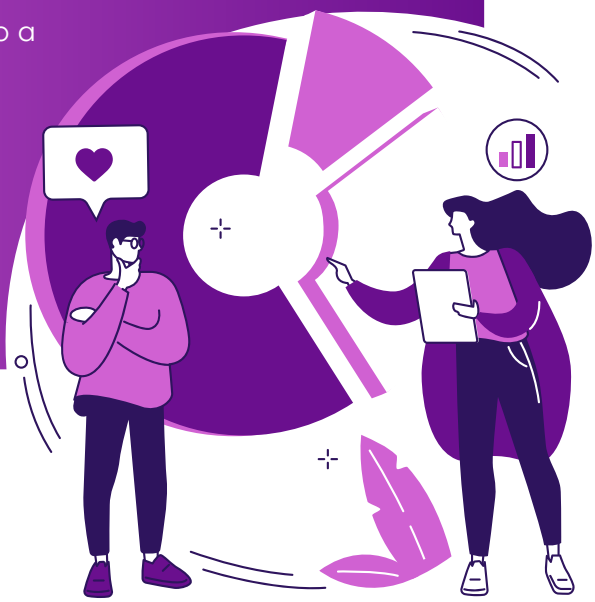

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