

Buzzacott

2026 report

Academy trust
benchmarking
report



Key messages from 2026

Trusts have continued to show operational resilience following several years of significant cost increases.

Although these increases continued in 2025, higher income levels throughout the period contributed to improved operating results for the year.

Trusts continue to make additional contributions from revenue income to fund capital investment, with per-pupil contributions higher within smaller trusts.

Increases in pay costs in the year were typically funded, with average payroll ratios rising only marginally between 2024 and 2025.

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Introduction

Introduction

Welcome to Buzzacott's academy trust benchmarking report 2026, which provides insight into current sector trends based on financial information for the year ended 31 August 2025.

This benchmarking report is designed to enable trusts to:

- Assess how they compare to the sector
- Identify areas of strength and weakness
- Serve as a basis for informed monitoring over the next 12 months

We have based the analysis of ratios on the size of the academy trust:

SAT

Single Academy Trust, including both primary and secondary SATs

Medium MAT

Multi Academy Trusts, with 2,500-9,000 pupils

Small MAT

Trusts with up to 2,500 pupils

Large MAT

Trusts with 9,000 or more pupils

Data sources

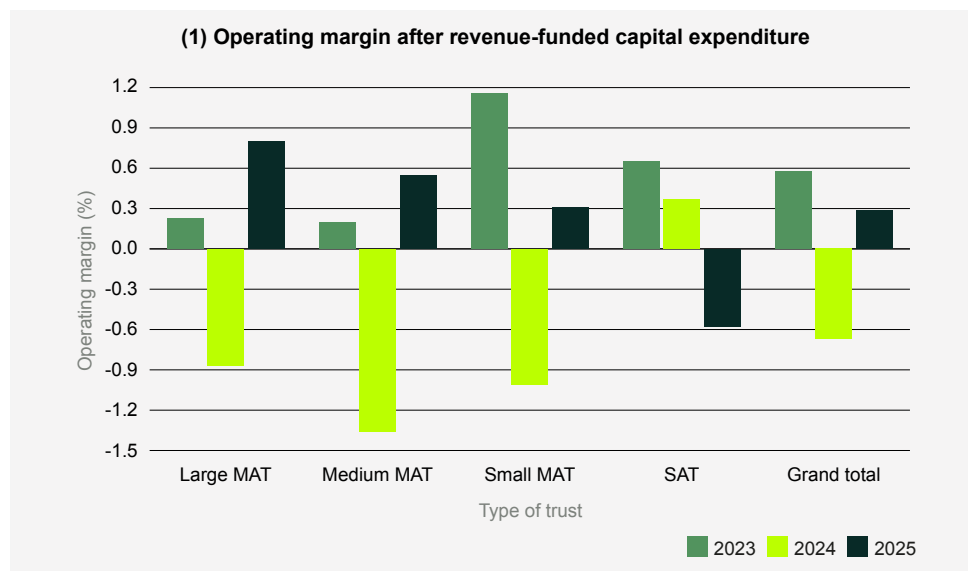
The data used to compile this report is primarily taken from the accounts of our clients – of which the significant majority reside in London and the South East of England – alongside the published financial statements of the largest MATs in the sector.

Introduction — the report is divided in to six main sections:

Part A:

Operational margins

Operational margins

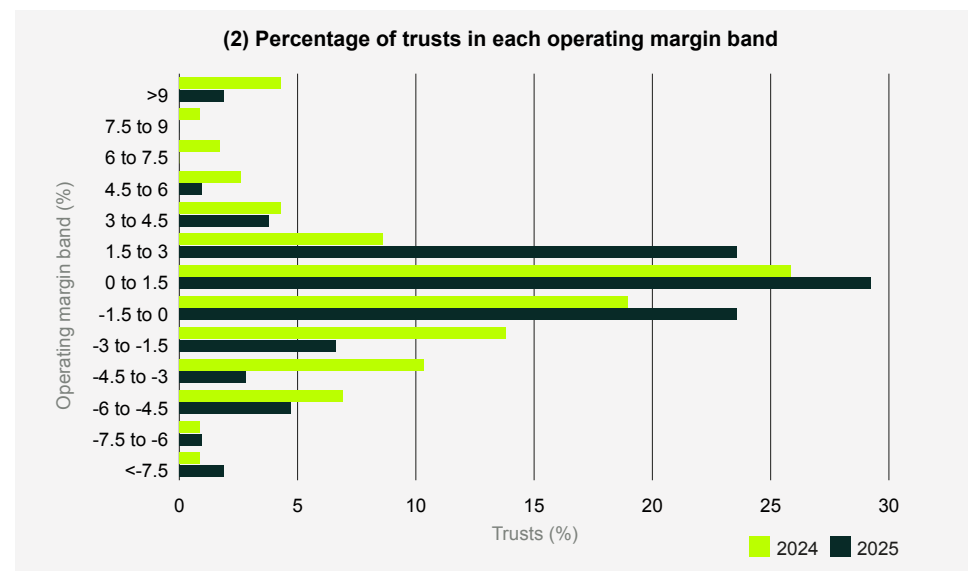


During 2025 the sector saw an increase in per-pupil funding, and trusts have improved operating results despite a continued increase in underlying payroll costs (as seen in section B of this report).

The impact on operational margins is reflected within figure (1). In 2024/25 average operating income for the sector exceeded operating expenditure, resulting in an operating surplus. The average

margin moved from a deficit of 0.7% of operating income in 2024 to a surplus of 0.3% in 2025.

It is reassuring for the sector to see that, on average, MAT operating margins returned to a surplus position in the year ended 31 August 2025, following average deficits in 2024. Conversely, the current year has proved more challenging for SATs who incurred, on average, an



operating deficit in 2025. A key factor in these deficits is the continued need for investment in estates, which we explore later.

Figure (2) shows the range of operational margins in the sector after transfers from revenue funds to capital funds.

In 2024/25, 40% of trusts within the population reviewed incurred an operating deficit, compared to 52% in 2023/24.

97% of trusts delivered an operational result within the range of a 3% deficit and 3% surplus compared to 86% in 2023/24. We have seen trusts' operating outcomes prompt trustees to consider several related areas of operations, including reserves policies, risk appetite, and estates strategy, to ensure they remain appropriate in the context of current financial positions.

Key factors – Payroll

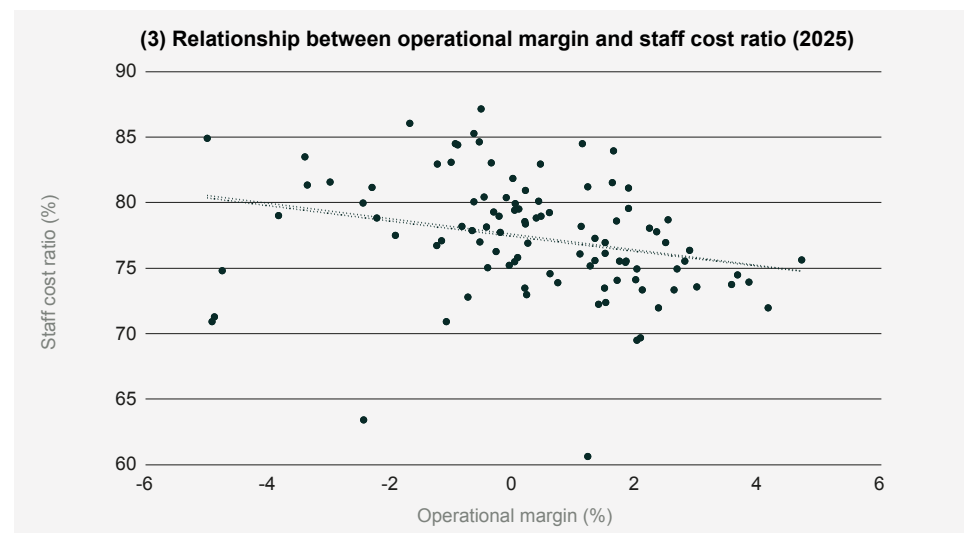
The most significant factor when considering operational results of trusts is payroll. The importance of payroll is twofold: the cost is always the largest category of a trust’s expenditure and significant elements of it – such as the contribution rates for pensions and national insurance – are largely out of the trust’s control. Although schools set their teachers’ pay, these are often determined by national pay scales, which trusts are unable to directly control. Trusts are, of course, able to reduce expenditure by reducing staff numbers and employing less experienced staff, but reductions are difficult to achieve and the potential impact on teaching standards and academic achievement must be considered. Integrated Curriculum and Financial Planning can be a useful tool for considering the financial impact of decision making alongside the academic impact.

The staff costs ratio is the percentage of operational income spent on staff costs.

To assess the relationship between the staff costs ratios and the operational margin, we have plotted the two variables against each other in figure (3). Here, we have calculated the staff cost ratio as a proportion of operational income.

As seen in figure (3), there is a relationship between the staff costs ratio and operational margins. This suggests that trusts that spend a lower percentage of their income on staff costs are more likely to have higher operational margins. This can be seen even more clearly in the table below:

Staff costs ratio (%)	Average op. margin (%)
>85	(0.96)
80-85	(0.64)
75-80	0.51
70-75	0.97
65-70	2.04

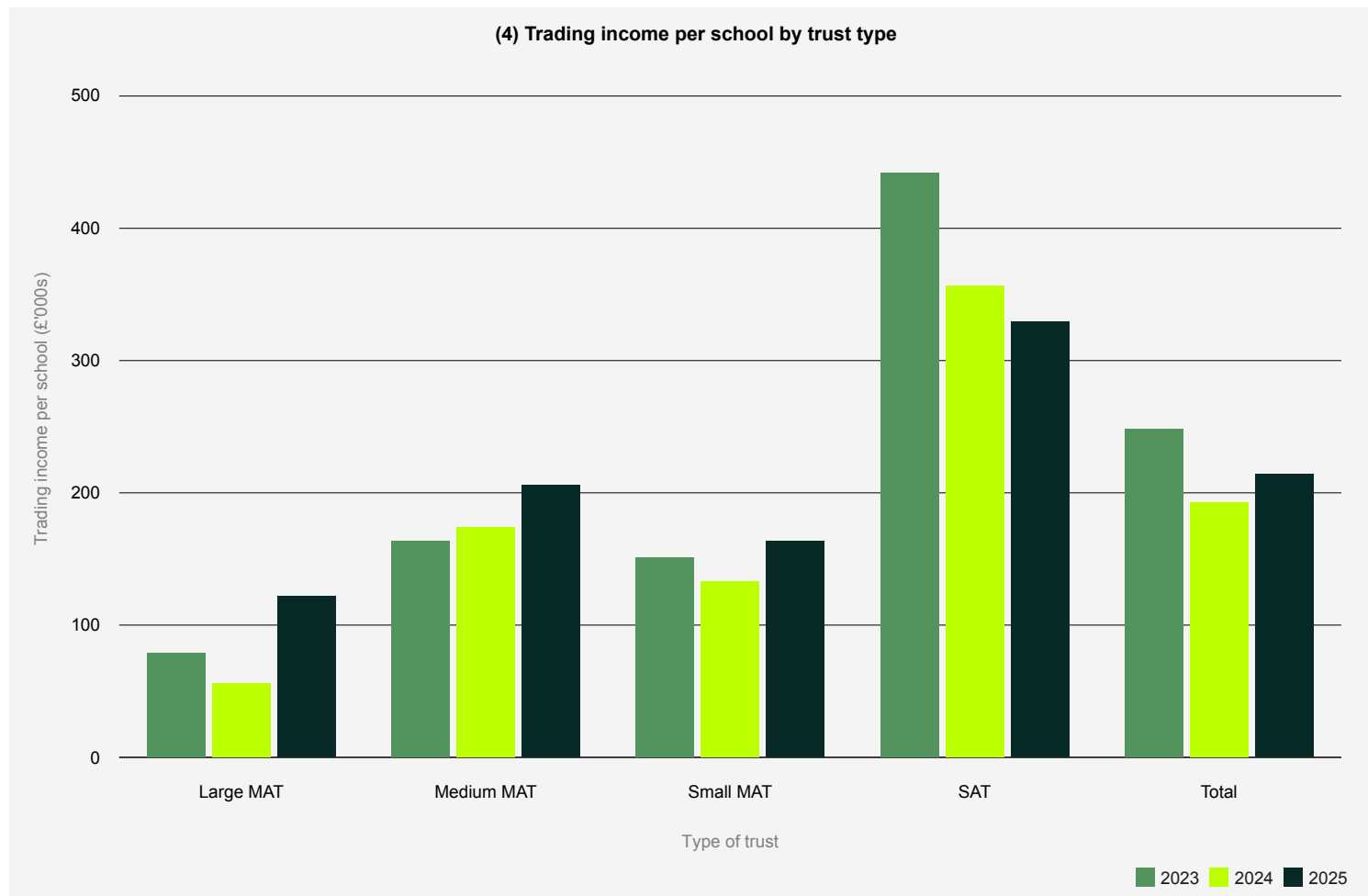


Historically, a payroll ratio of around 80% was commonly used as a benchmark above which operational deficits began to emerge across the sector. However, increases in proportional non-staff costs in recent years have lowered this threshold, and internal target KPIs staff cost levels now often fall below 80%.

Results from 2024/25 suggest that a ratio of 76% or lower would now typically result in a surplus outturn, however some trusts with a higher payroll ratio than this are still able to maintain a surplus position.

In conclusion, these figures show that while a low staff costs ratio is no guarantee of an operational surplus, there is on average a positive impact on margins as these costs are reduced.

Key factors – Trading income



As per figure (4), trading income increased on average across the sector between 2023 and 2025. Trusts continue to seek to diversify their income; however, different commercial models remain in use across the sector. Some trusts prefer to contract-out activities to third parties to reduce the risk associated with incremental costs which can come with diversified activities.

Key factors – Operating income per pupil

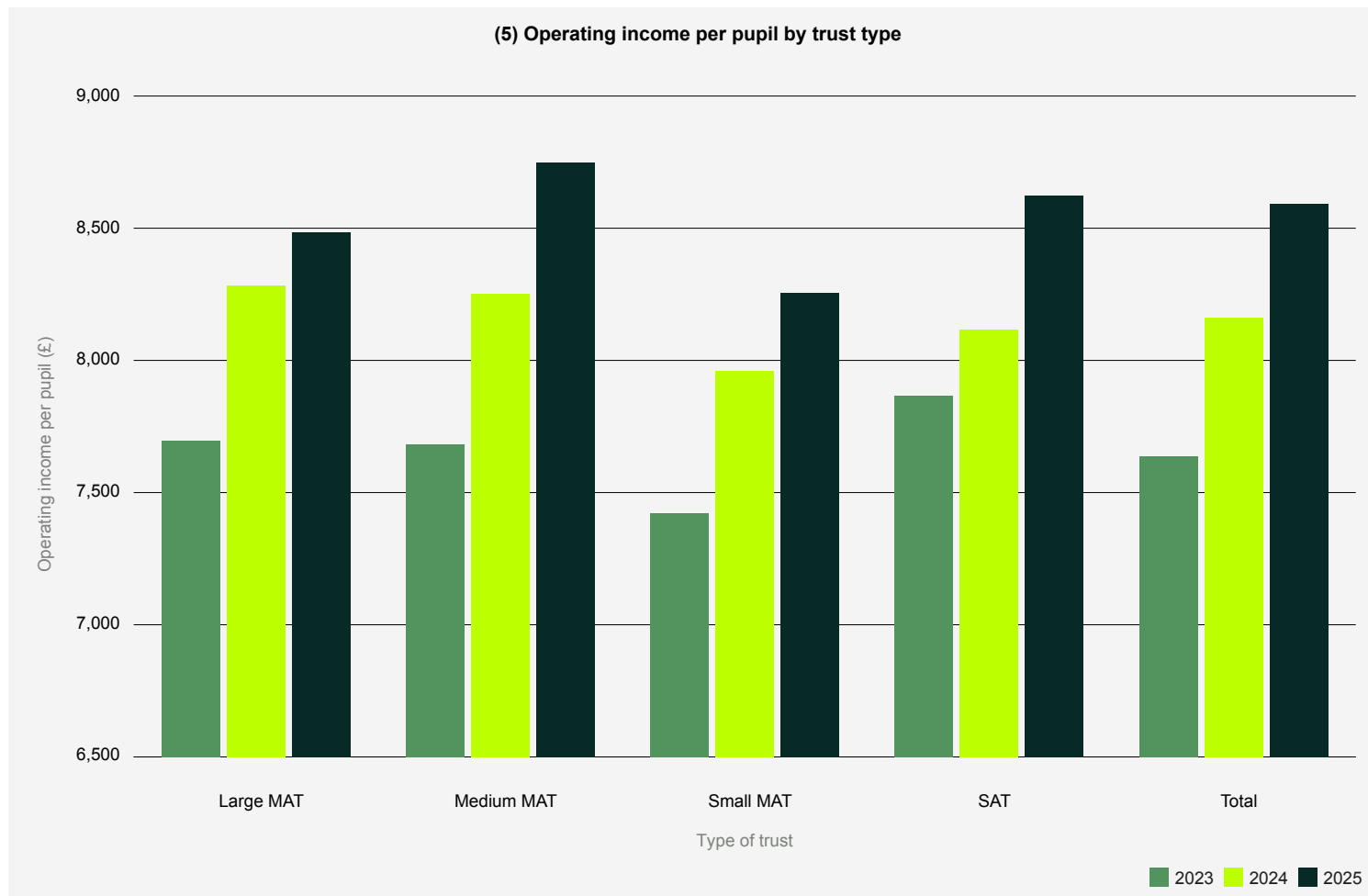


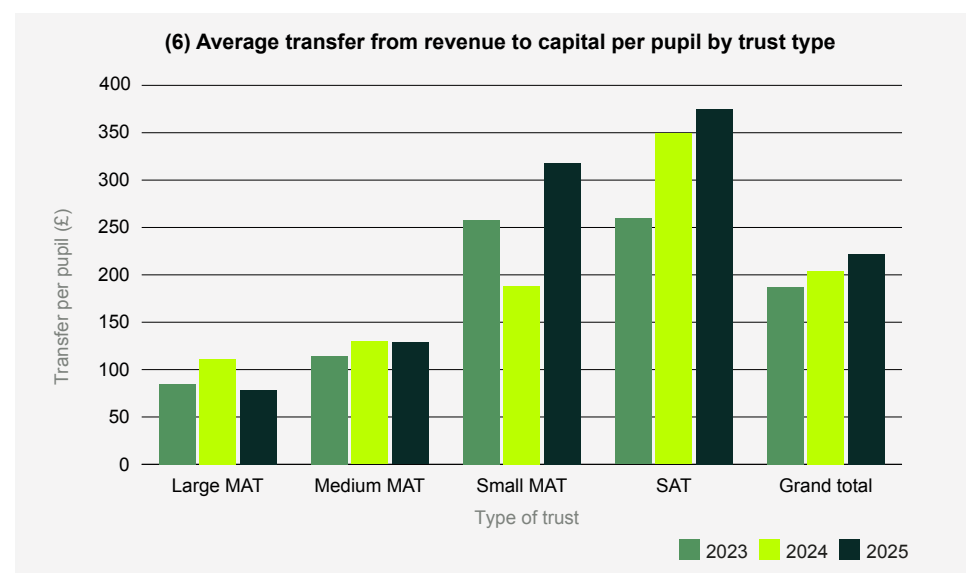
Figure (5) shows the increase in operating funding received by all trust types in 2025. This reflects a combination of factors, including changes in student numbers, revisions to funding formulae, and additional funding streams, such as the NIC grant receivable for the period from April to August 2025.

Key factors – Capital requirements

The cost of building and maintaining premises remains a constant concern for all trusts, particularly those still using old buildings inherited on conversion to academy status without funding for any large scale rebuild or renovation projects.

Many trusts find that the cash they receive each year is not enough to meet their capital requirements, particularly in such a high inflationary environment at the start of this decade, and the information reported within figure (6) highlights this.

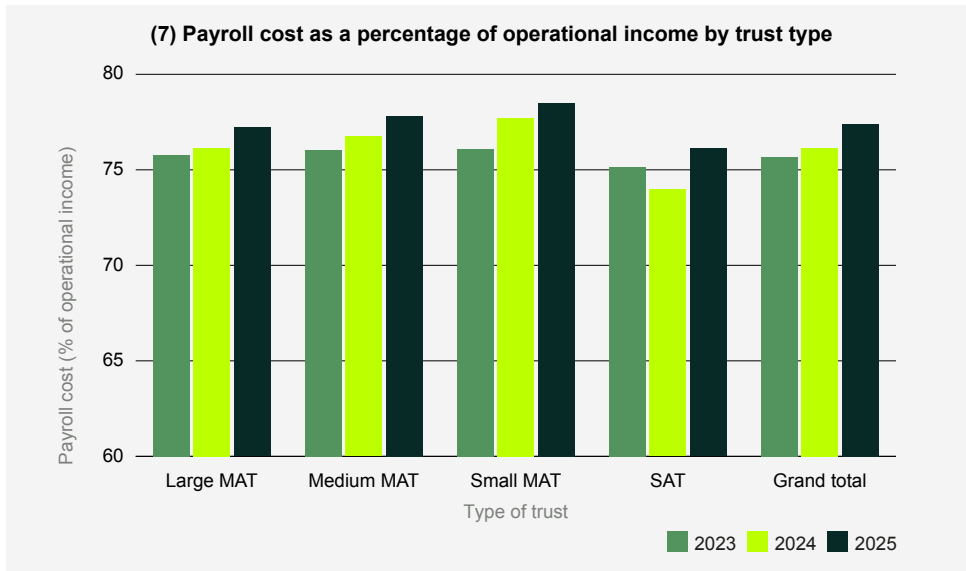
Figure (6) shows a general increase in the amount of revenue funds utilised for capital expenditure in 2024/25, particularly within Small MATs and SATs who do not receive School Condition Allocation capital funding. The relationship between increased transfers to capital funds and reduced operating surpluses in SATs highlights the challenge trusts often face in balancing in-year operating performance with longer-term investment in their estates through the use of revenue reserves.



Part B:

Payroll costs

Higher paid employees (HPEs) and key management personnel



Staff recruitment and retention remain significant risks within the sector and, combined with the impact of pay awards for 2024/25, have resulted in an overall increase in the average proportion of operational income used on staff costs, as reflected in figure (7).

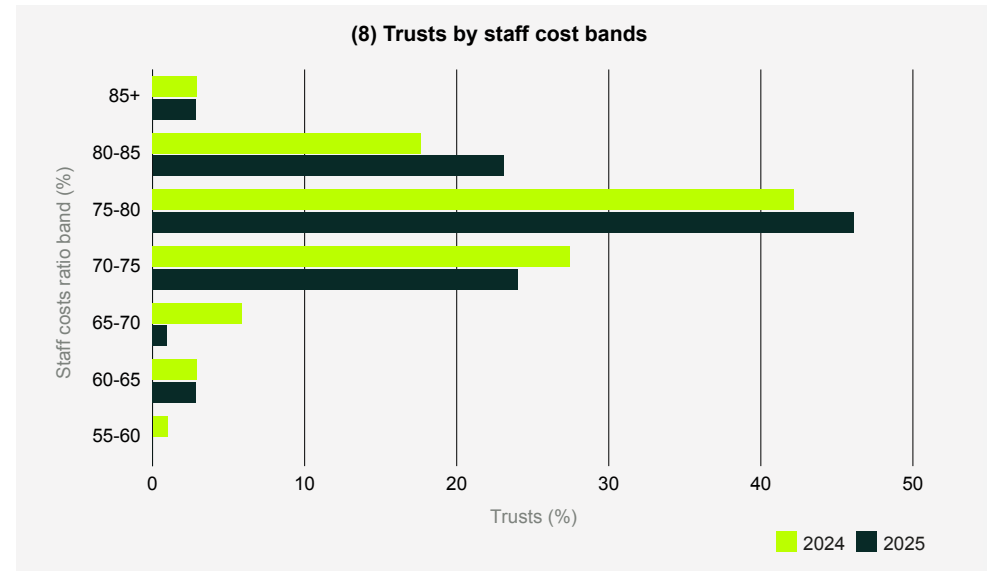
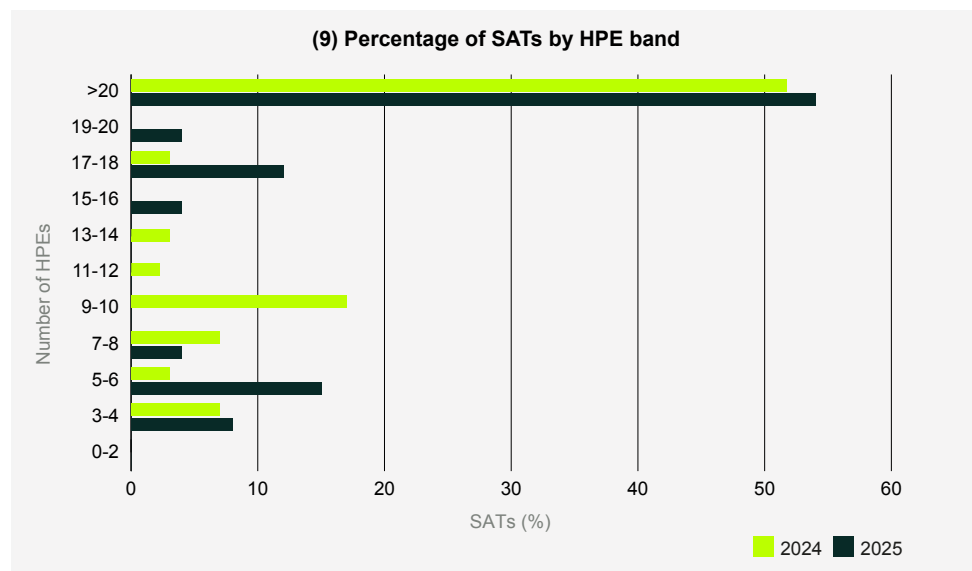


Figure (8) shows that most trusts operate with a payroll ratio of 75-80%.

Over the coming pages we will look at other factors which impact payroll ratios, such as the number of higher paid staff, severance payments and agency costs.

Higher paid employees (HPEs) and key management personnel



One area in which there is a large amount of variation throughout the sector is the remuneration of higher paid staff (i.e. those with a gross salary of more than £60,000 per annum) and key management personnel. These are also areas which will naturally attract a greater level of public scrutiny.

Statistics from 2024/25 show details of employees earning excess of £60,000; this is largely attributable to increasing pay rates in the sector over recent periods. The level at which staff are deemed to be higher paid for reporting purposes has remained at £60,000 since inception of the sector, over which period pay rates have gradually increased. The increase in numbers of HPEs in recent years is not necessarily tied to any change in underlying staffing structures.

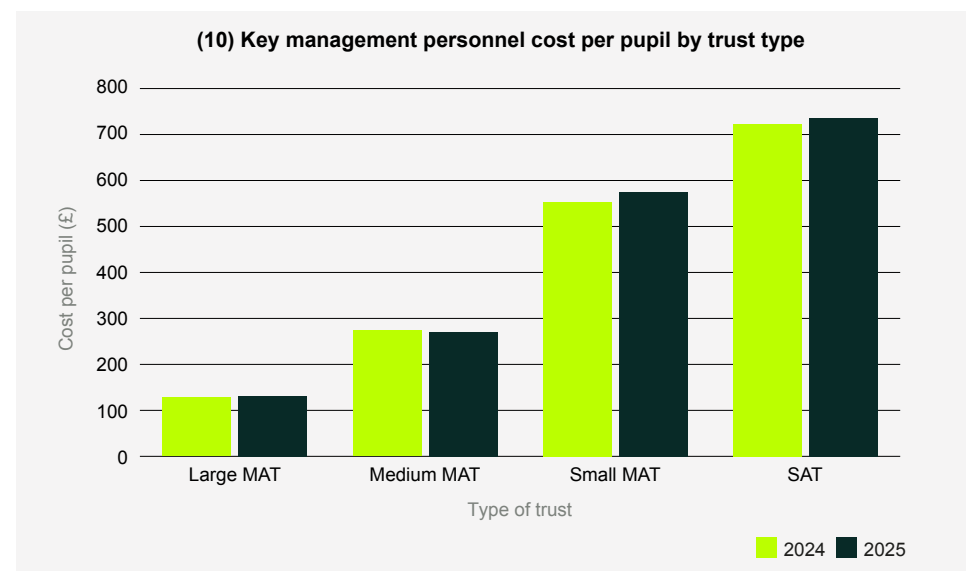


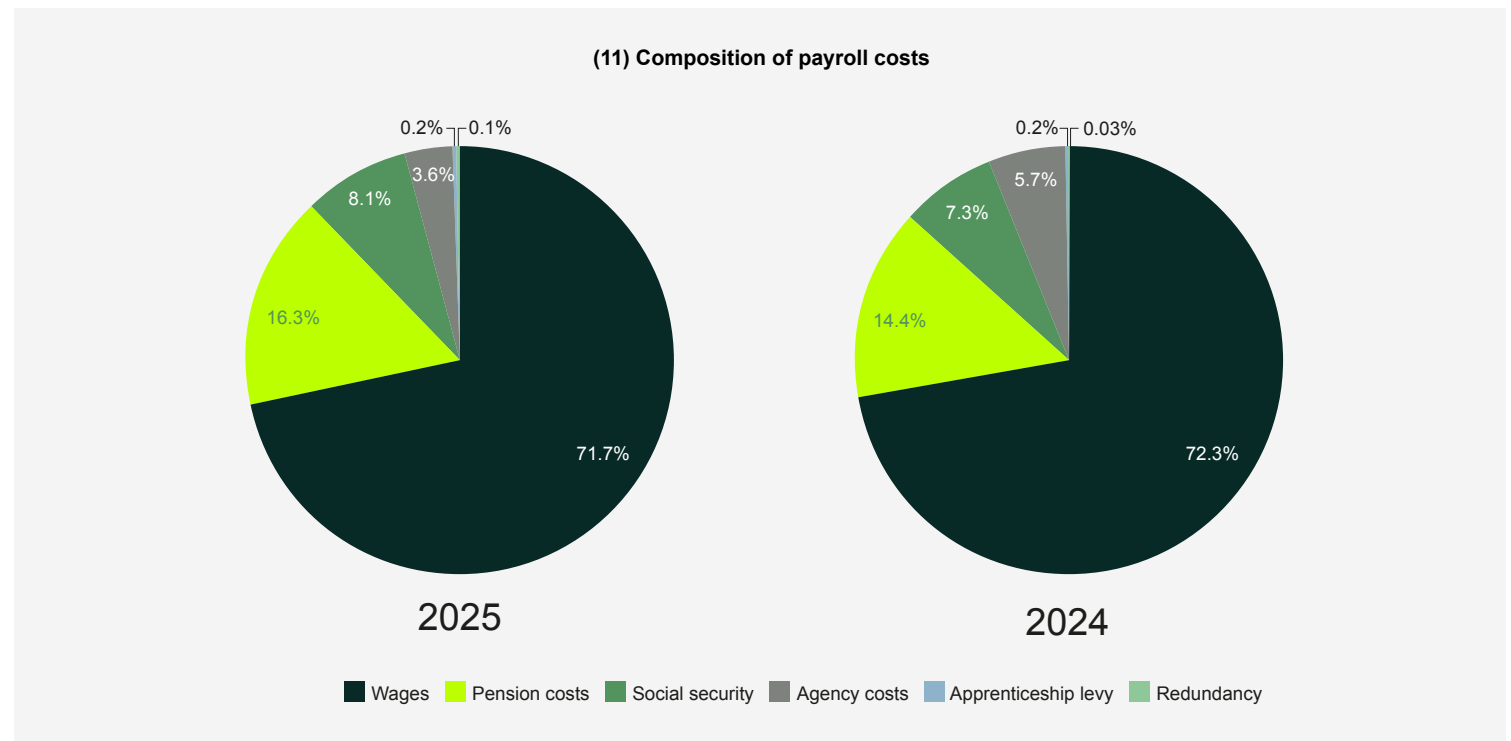
Figure (10) shows the average cost of key management personnel (KMP) per pupil.

In addition to changes in pay scales, this figure can also be impacted by changes in how individual trusts define “key management”.

Typically, this will be the CEO or headteacher and other members of the senior leadership team, however there is no strict definition. A broader interpretation will typically result in a more staff members being included within the aggregated cost, and therefore a higher cost per pupil.

Make up of payroll costs

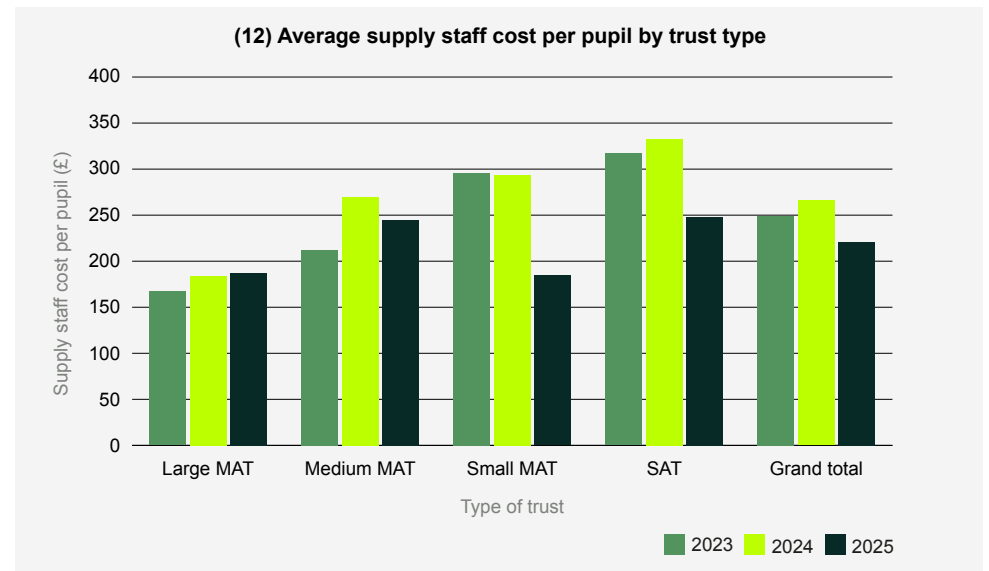
Figure (11) shows the payroll costs incurred by trusts in 2025 and 2024. Changes to National Insurance contribution rates from April 2025 have resulted in an increase in the proportional cost attributable to social security payments. Most Local Government Pension Schemes are currently undergoing a consultation period following the most recent triennial reviews. The outcomes of these reviews and the funding status of the relevant scheme could lead to changes in contribution rates for non-teaching staff for the coming three-year period.



Agency costs

Figure (12) shows the average cost of agency staff per pupil. Factors driving this spend are varied and include increases in the underlying hourly rates of many supply posts alongside recruitment and retention challenges within the sector.

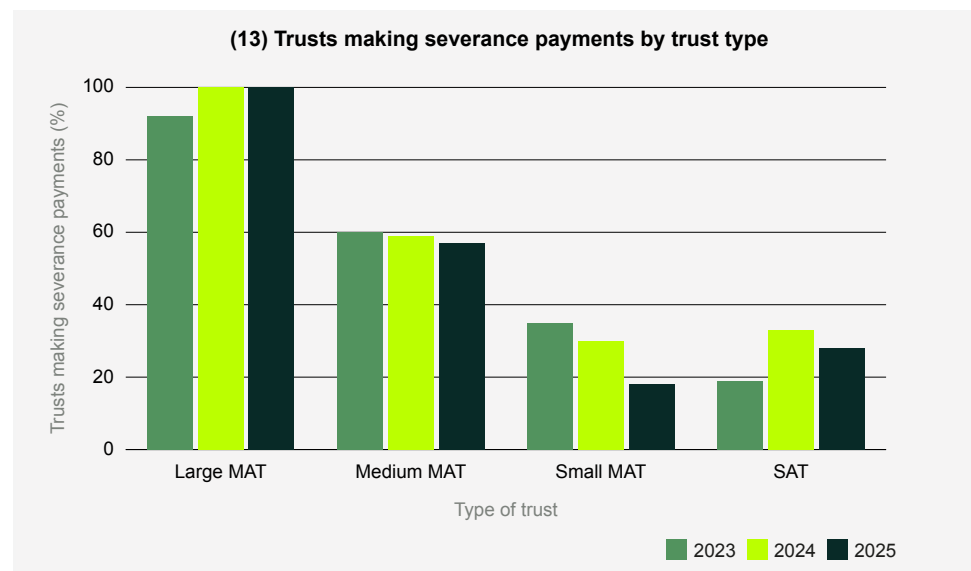
The UK Government research report from September 2024 looks more deeply into the use of supply teachers in schools and the factors impacting demand, including capacity to provide cover within the trust, the phase of education, the quality of available agency staff, and the availability of cost-effective alternatives.



Severance costs

The current economic climate and increased staff costs have unfortunately forced trusts to re-consider certain staffing roles and whether a potential restructuring should take place.

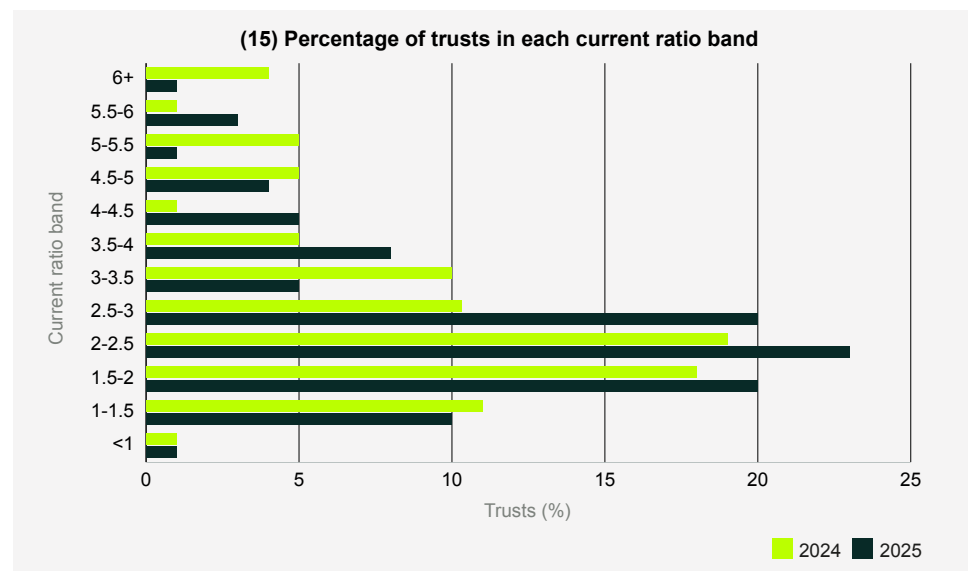
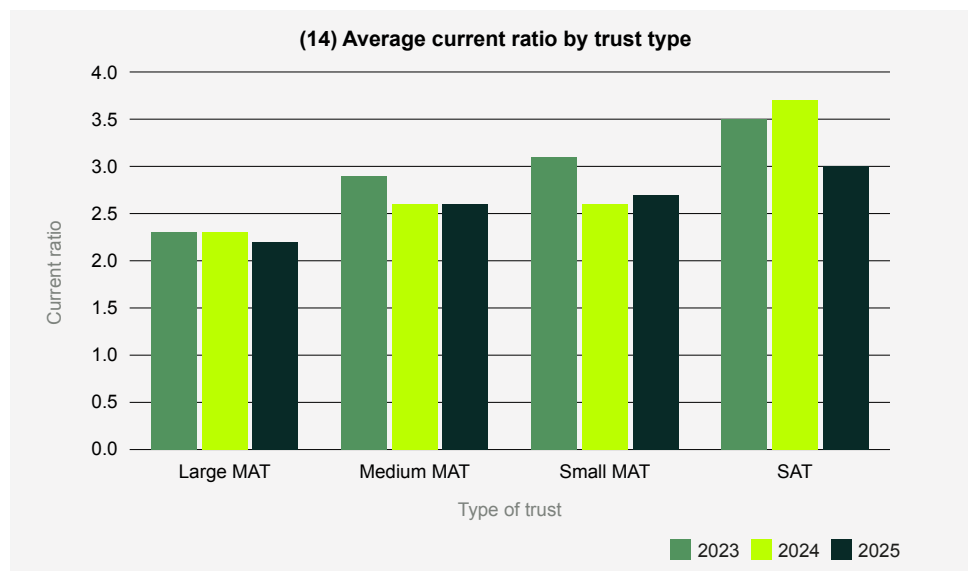
Figure (13) presents a mixed picture, with both increases and decreases across different types of trust. The likelihood of severance payments appears to rise with trust size, reflecting the higher number of staff within these trusts.



Part C:

Financial stability

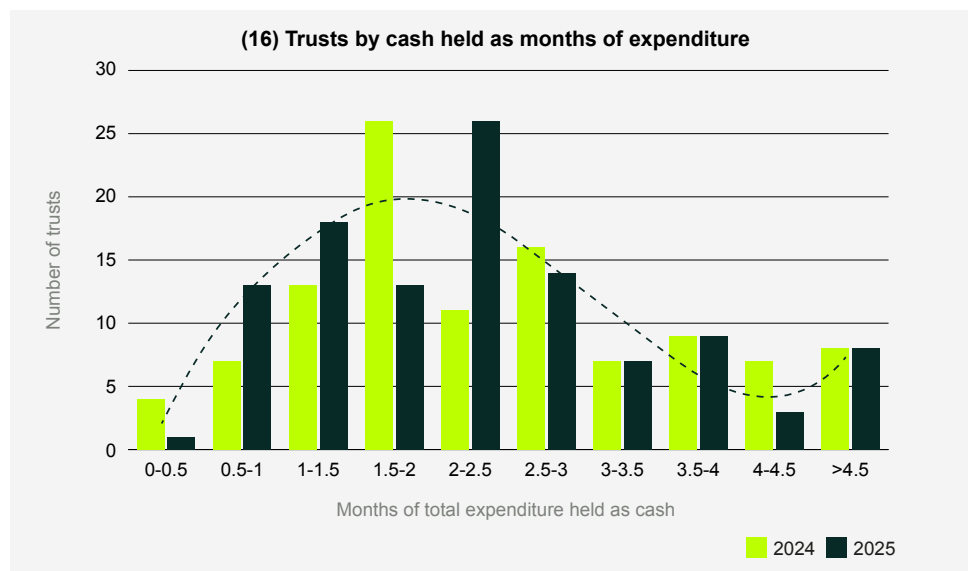
Current ratio



To provide a broader view of financial stability within the sector, balance sheet strength is also considered. The current ratio is a liquidity measure that indicates a trust’s ability to meet short-term obligations, based on current assets relative to current liabilities.

It is promising to see that, on average, current ratios have remained broadly in line with the previous year, as shown in figure (14), despite the current economic climate. Only two trusts in our sample had a ratio of less than 1, which is generally regarded as the minimum current ratio for a trust. Around 89% of trusts reported a current ratio of above 1.5, compared with 87% in 2024.

Cash levels



When considering future financial viability, a common starting point for trusts is how much cash they should be holding at any point in time. This could be expressed with reference to monthly payroll or total expenditure requirements, and it is often seen as more pragmatic to state an ideal range, as opposed to one target figure.

After this, trusts will then want to consider capital work - be that new projects or contingencies for existing buildings - and other future exceptional costs, such as restructuring.

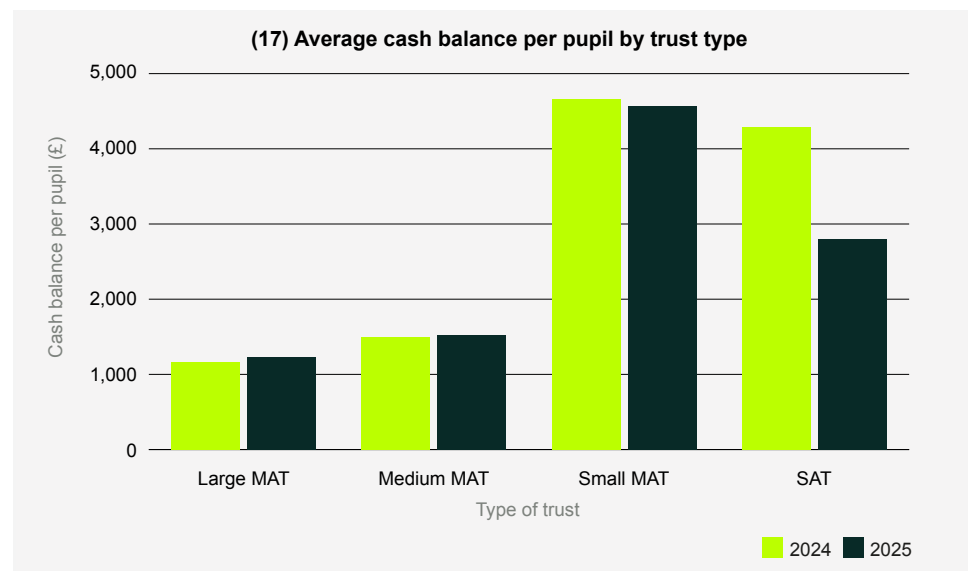


Figure (16) shows the level of cash held by trusts in our sample at 31 August 2025 expressed in months of total expenditure. As was also the case in the previous year, the average months of expenditure held as cash tends to be between 1-3 months.

Figure (17) shows the average cash balance per school in a trust, in which there is a variation in the levels of movement within the average cash balance per pupil from the previous year. It is important to note that the cash held by each trust is also dependent on the level of unspent capital funding at the year-end.

Reserves overview

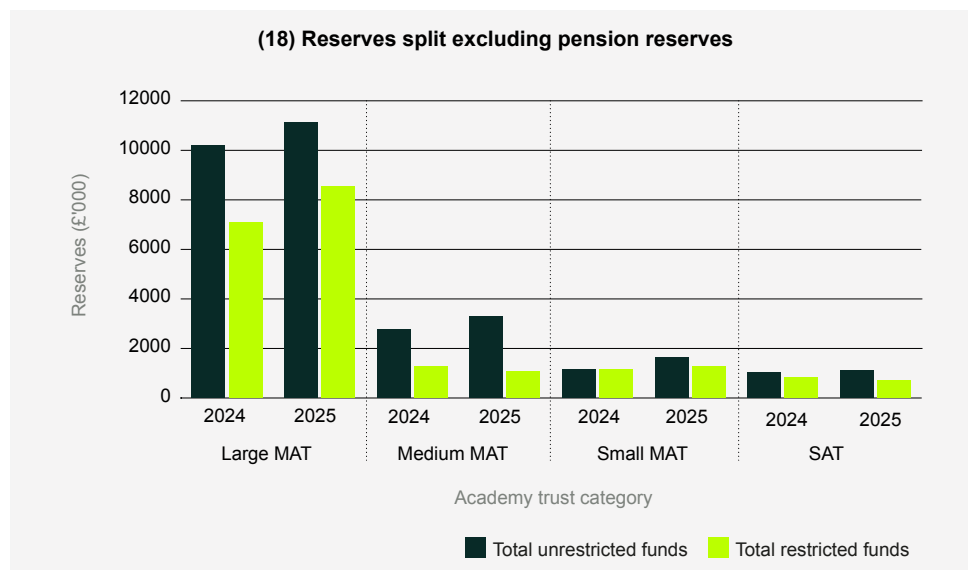
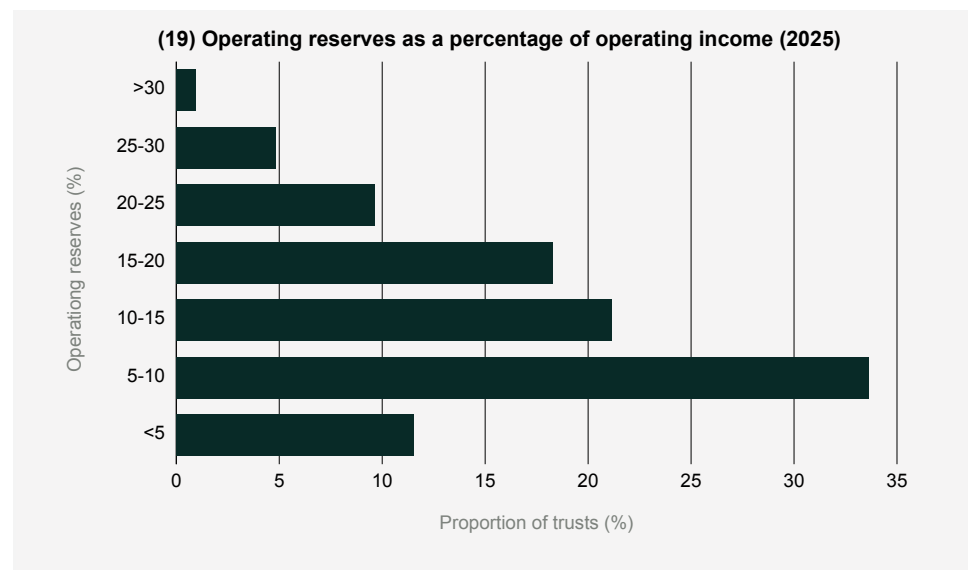


Figure (18) shows how trust reserves are split between unrestricted funds (including designated funds) and restricted funds (excluding fixed asset funds and pension reserve), for 2024 and 2025. We can see from the graph that, as also seen in the previous financial year, unrestricted funds make up a bigger proportion of trusts' overall reserves.

Trusts typically elect to utilise restricted funding before unrestricted funding when assessing cost allocation.

The Department of Education (DfE) recommends that the amount an academy trust sets aside is based on the type and size of the academy trust as well as the particular risks that it faces, for instance,



if they are locked into a PFI contract. Key considerations with respect to reserves planning are detailed within the DfE guidance "Academy trust reserves", most recently updated in June 2025 and available here: [Academy trust reserves - GOV.UK](https://www.gov.uk/government/guidance/academy-trust-reserves).

Type of trust	Average operating reserves as a percentage of operating income
Large MAT (>9,000 pupils)	8.7
Medium MAT (2,500-9,000 pupils)	11.1
Small MAT (<2,500 pupils)	13.7
SAT	16.3

Reserves per school

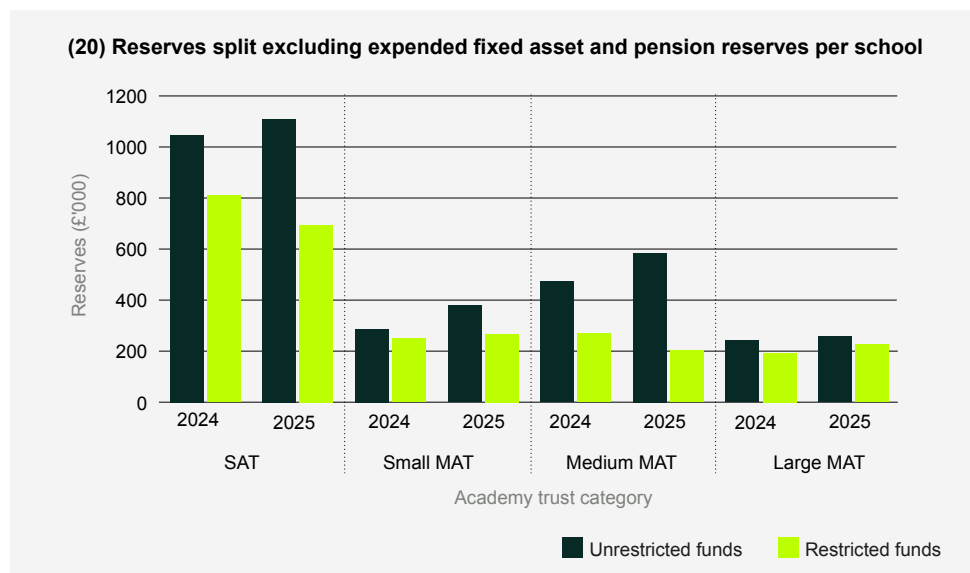


Figure (20) normalises the reserves of each MAT by the number of schools at each trust, and includes revenue reserves and unspent capital restricted funds. As in previous years, this illustrates how as a trust grows, certain risks can be assessed at trust rather than school level when considering the overall reserves policy.

This often results in the reserves policy of a larger MAT being set to a lower relative level in proportion to operating income or expenditure than in a smaller MAT or SAT. The graph also again shows the trend of unrestricted funds generally forming a larger proportion of trusts' reserves in the 2024/25 academic year.

Also of interest is how the proportion of funds represented by wholly unrestricted funds has been impacted by the activities of the year.

Trusts should continue to monitor their use of funds, ensuring that where possible, restricted funds with narrow

restrictions are drawn down first, followed by restricted general income funds (e.g. GAG) and then finally unrestricted funds. This has become considerably more important as trusts look to budget for future years in response to the continued impact of higher inflation.

	Large MAT		Medium MAT		Small MAT		SAT	
	2025	2024	2025	2024	2025	2024	2025	2024
Unrestricted	53%	56%	74%	64%	59%	53%	62%	56%
Restricted	47%	44%	26%	36%	41%	47%	38%	44%

Reserves per school (continued)

The DfE requests additional information for any academy trust with reserves equivalent to more than 20% of their operational income.

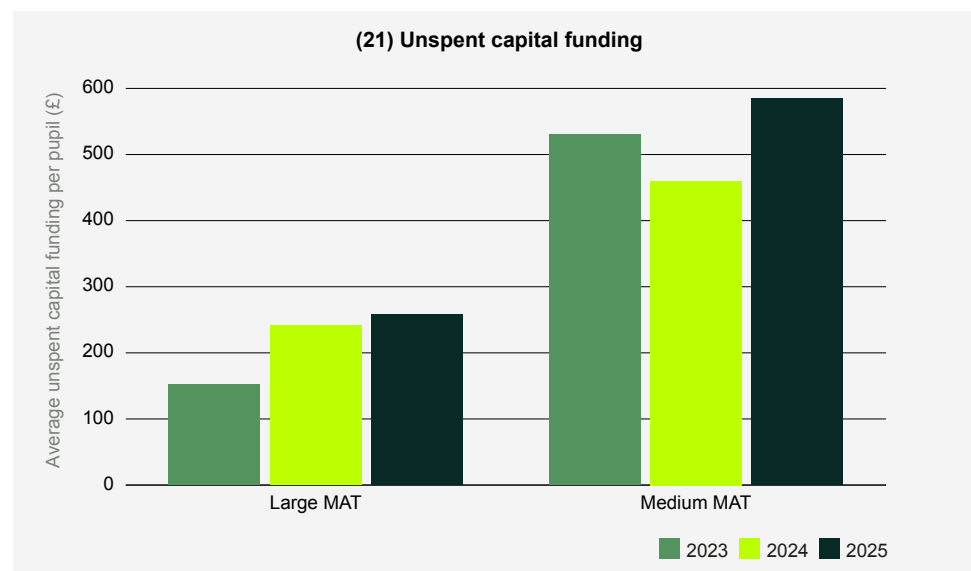
The table below shows the number of trusts within each size group that this applies to. We can see that as the size of trust decreases, the number of trusts reporting reserves of at least 20% of their operational income increases. This is also reflected in figure (20) earlier in this report, where the total amount of operational funds per school appears to be greater as the size of trust decreases.

It is important to note that this may also be a result of MATs pooling their risk across the relevant schools within the trust as a whole.

Type of trust	Percentage of trusts with at least 20% operational funds as a proportion of operational income
Large MAT	8%
Medium MAT	6%
Small MAT	12%
SAT	34%

Unspent capital funds held in fixed asset reserves should also be considered as part of the broader reserves strategy and planning. Figure (21) compares the level of unspent capital funding within Medium and Large MATs between 2023 and 2025. We have included these sizes of trust here due to them typically meeting the requirements for SCA funding. As with revenue funds, the level of capital funding held per pupil will depend on the risk profile of the trust, and while large MATs will have greater capital demands each year across the trust, the amount of annual funding they receive is also greater which means requirements to set aside funding for future capital requirements can be reduced.

There may also be some variation in the accounting treatment applied to capital income across trusts. Depending on the income recognition policy of a trust, capital income may not always be recognised at the point of the receipt. If any income is deferred, the unspent reserve balances will appear lower than for other trusts.



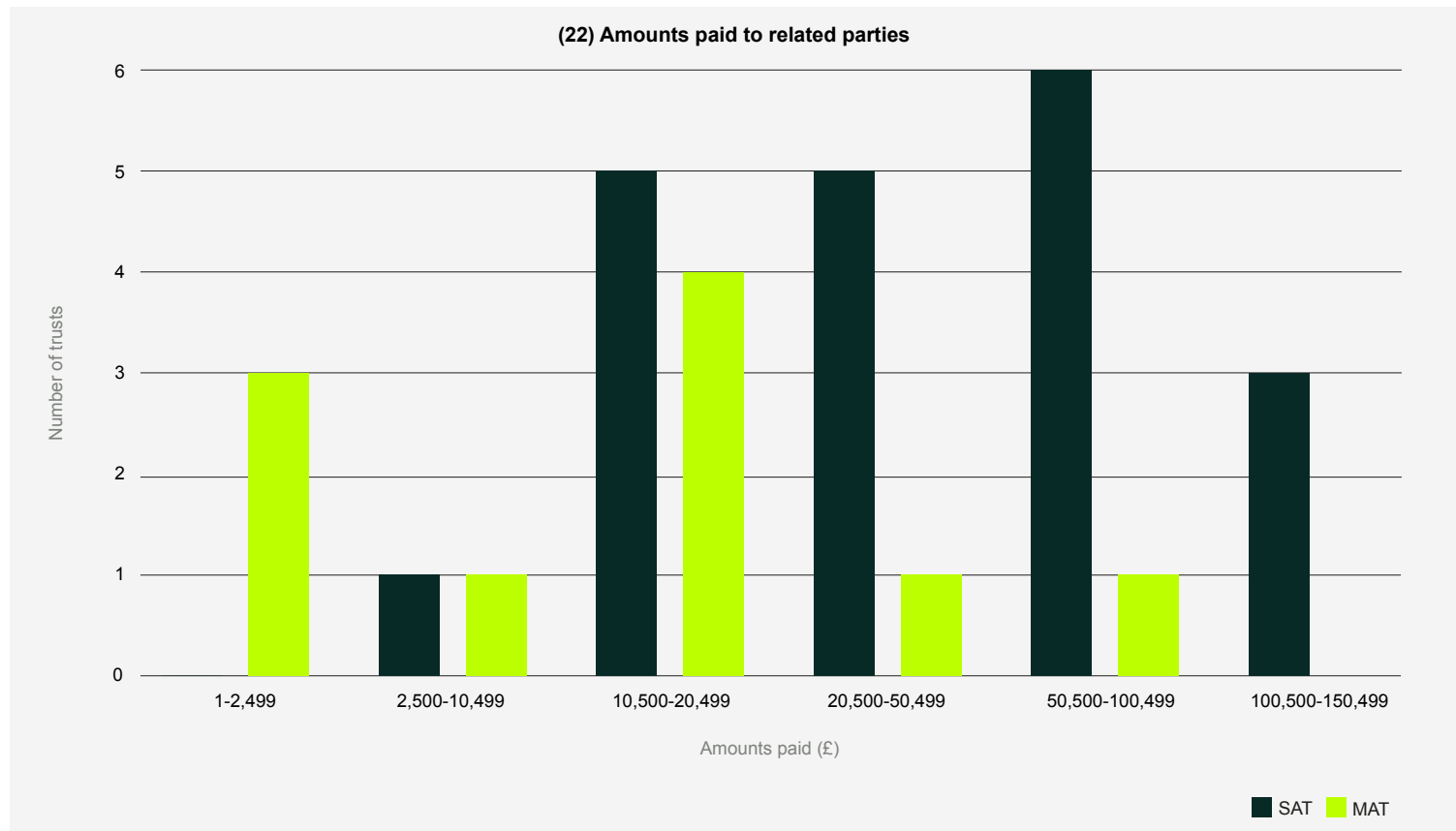
It is worth noting that, while the average unspent capital funding per pupil has remained largely unchanged from the previous year, higher inflation will have reduced its value in real terms. This is one possible explanation for the increase

in the average transfer of revenue to capital funds noted earlier in this report. Trusts will want to consider this as part of their capital project planning for the 2025/26 academic year and beyond.

Part D:

Related party transactions

Related party transactions



Related party transactions (RPTs) continue to fall under the scrutiny of the DfE. 47 trusts included in our sample data disclosed RPTs during the year, compared with 46 in 2024.

Of the 47 trusts with RPTs, 33 trusts incurred aggregate transactions above £20,000. This is an increase from the 26 trusts in the previous year. As is always the case, trusts should be prepared to demonstrate to the DfE that their usual procurement processes have been followed, conflicts of interest managed, and the best value for money achieved.

Part E:

Multi Academy Trusts – Central services

Multi Academy Trusts – Central services

The number of academies forming or joining MATs is increasing due to the benefits that the MAT structure offers. As part of a MAT, individual academies can receive extra support (on educational and non-educational matters) and achieve economies of scale.

The sharing of services such as human resources, financial services, IT, premises, PR, and marketing, means that smaller academies can benefit from the expertise and skills of a larger organisation. The combined purchasing power of a MAT can also lead to more favourable rates for contracts and services, increasing value for money.

There are two main methods of financing a MAT, the most common being “top slicing”. Each academy within the MAT will contribute a portion of its income to cover the costs of the shared central services.

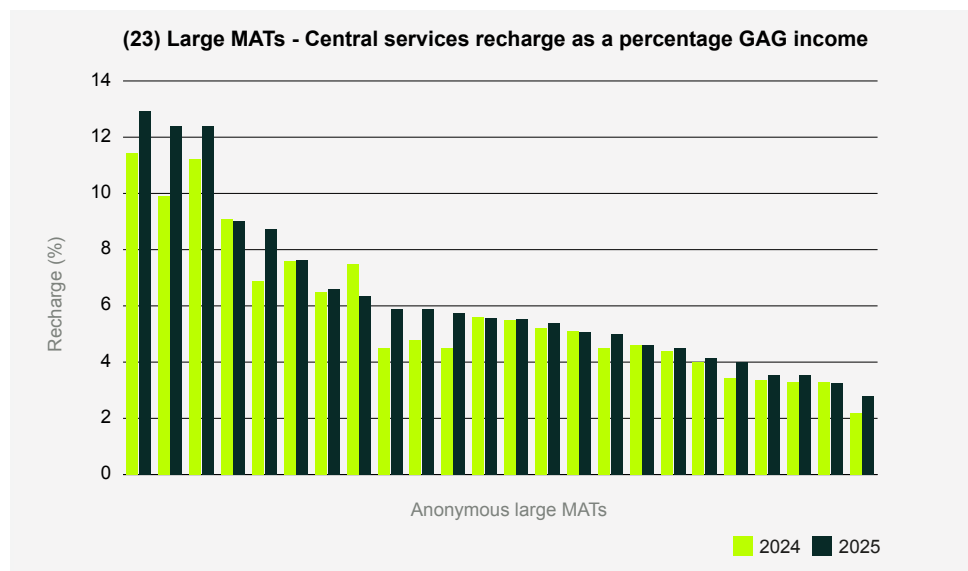
There are various ways to determine each academy’s central services charge, such as:

- A flat rate across all academies;
- A percentage of income (or specific income streams such as General Annual Grant);
- A combination of the two; or
- A rate that takes into account other factors such as pupil numbers, staff head count, Ofsted ratings, or needs assessments.

There is a great deal of variety in the sector. Overall, we can see that most trusts applied the charge as a percentage of grant income, typically between 5 to 7% as seen in figure (23).

The second method of financing a MAT is GAG pooling and is currently seen less frequently. Here, GAG income is received for the trust as a whole and is then distributed by the central office across the individual academies. This can be used within a trust alongside mechanisms such as integrated curriculum and financial planning to ensure that funds are being utilised within the trust in the most effective way. This also helps to mitigate the impact of challenges such as lagged pupil numbers at specific schools which may be causing budgetary disparity. The number of MATs operating a GAG pooling model is increasing, with more MATs now having the processes in place to deliver a pooled funding mechanism.

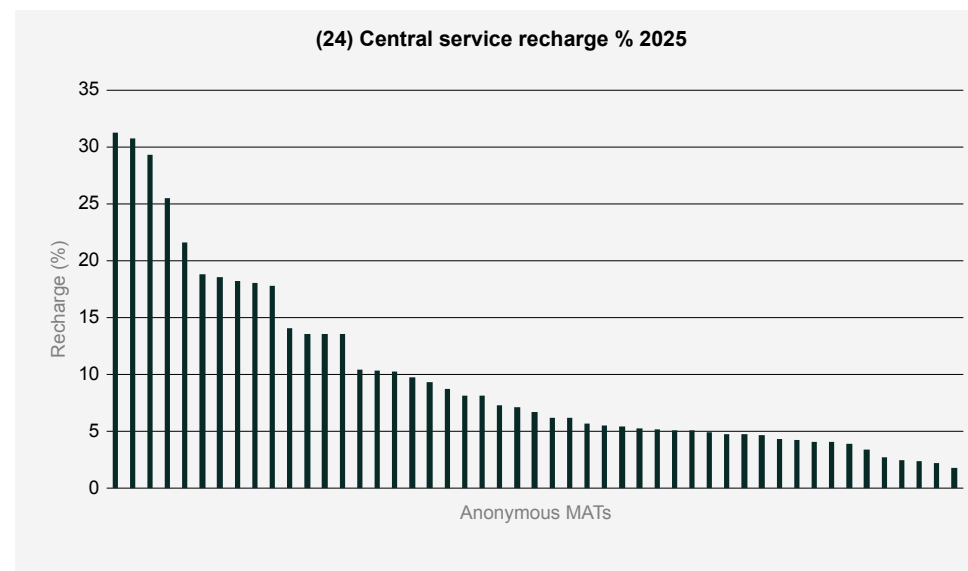
Central services charge as a proportion of grant funding



Multi Academy Trusts with more than 25 schools

Figure (23) provides details of central services as a percentage of operating income for large MATs. Each bar represents an individual MAT, the names of which are anonymised.

Whilst most larger MATs included in the sample have seen their central service charge as a percentage of grant funding remain broadly in line with the previous year, some trusts have seen their percentages increase quite significantly.



Other Multi Academy Trusts

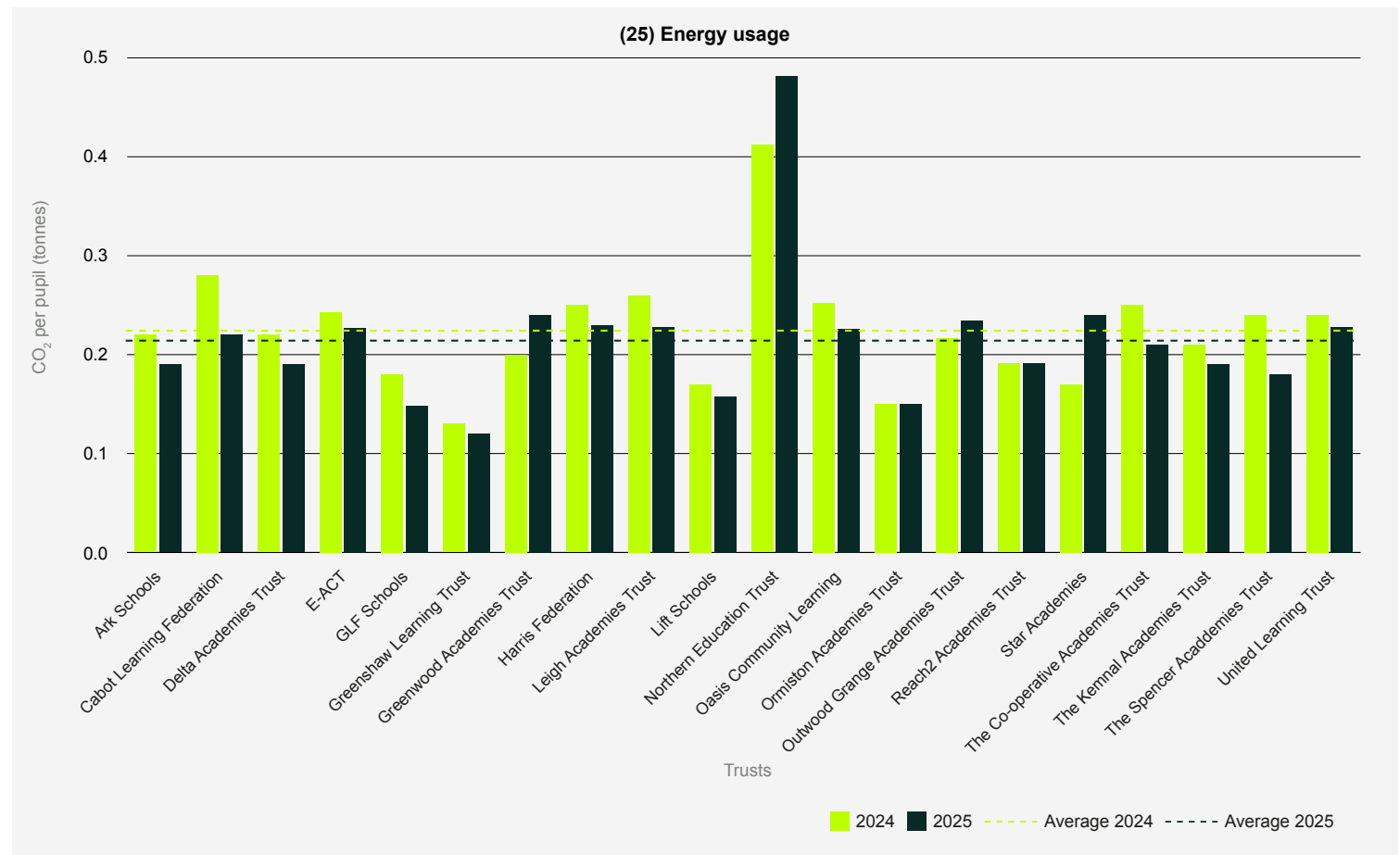
As has been the case in previous years, there is much more variation for smaller MATs than the large MATs shown in figure (23). The more central functions undertaken by head office, the greater the percentage is likely to be. Figure (24) plots the central charge for each

non-larger MAT. As can be seen clearly, there is a large amount of variation, dependent on the extent to which services are centralised at each trust. These graphs are an indicator of the level of centralisation rather than financial effectiveness.

Multi Academy Trusts – Energy efficiency

Energy efficiency is an increasing focus of trusts, and changes to procurement frameworks are enabling environmental and social factors to be more significant factors in decision making. The energy usage identified by a sample of large MATs for 2024 and 2025 has been summarised in figure (25). By now, all academy trusts will have nominated a sustainability lead and implemented a climate action plan, as required by the DfE Estate Management Standards.

All academy trusts which are classified as a large company were required to calculate and report their total energy use for the year to 31 August 2025. The average intensity ratio identified by MATs has been disclosed on this page and can assist trusts in considering whether further energy efficiency could be attainable.



Part F:
**Risk
benchmarking**

Approach to risk registers

All academy trusts maintain one or more risk registers. We have analysed the risk registers for 30 MATs of >5 schools to identify common trends and emerging risks.

Risk registers can be used to capture both strategic and operational risks. Separate risk registers are also often maintained to manage risks within a particular project. Schools commonly hold risk registers at both individual school and trust level.

DfE guidance for academies relating to risk management can be found here: [Academy trust risk management - GOV.UK](#)

The DfE guidance highlights that trustees are ultimately responsible for overseeing the effectiveness of the risk management framework. The Audit and Risk Committee also has a role, particularly in relation to internal scrutiny and reporting to the trustees on the adequacy of the trust's internal control framework.

The trustees must therefore review the risk register. However, the trustees' focus is strategic rather than operational, and many academy trusts provide trustees with a strategic risk register containing a smaller number of risks. More detailed risk registers will then sit below trustee level.

Best practice suggests that the number of strategic risks recorded in the register should total around 10 to 15. In our review, we found a huge variance ranging from 5 to 152 risks, although those with a high volume of risks may summarise the risks for trustees in other formats. Some trusts also adopted a ranking system, extracting the Top 10 most significant risks from the wider register to focus trustees' attention and ensure targeted mitigation.

The average total number of risks recorded in a register was 41, suggesting that many academy trusts are presenting the trustees with greater detail of operational risks. Whilst this provides trustees with a considerable level of detail, it can also lead to micromanagement, a loss of strategic focus, and difficulty identifying the most significant issues in risk mitigation. This highlights a potential opportunity to further develop how trustees interact with risk management most effectively.

Risk categorisation

Across the 30 registers, the split of risk level (following mitigating strategies) was as below:

- Low = 50%
- Medium = 39%
- High = 10%

This indicates that risk registers are tracking many risks that may not be crucial for trustees to engage with, although they may be important for management to track.

We have analysed some of the top categories of risk, as well as the severity and volume of risks in each category. Please note that some trusts will have multiple risks identified within each of these categories.

Risk category	Percentage split of each category by risk level			Total
	Low	Medium	High	
Safeguarding/student welfare	41%	41%	18%	100%
Financial sustainability	48%	38%	13%	100%
Governance and oversight	69%	27%	4%	100%
Curriculum and outcomes	36%	47%	16%	100%
IT/cyber security/data	34%	56%	10%	100%
Health and safety	55%	36%	9%	100%
Estates/capital projects	38%	53%	9%	100%
HR/recruitment and retention	52%	37%	11%	100%
Supply chain/procurement	76%	24%	0%	100%
External relations	59%	35%	6%	100%
ESG - environmental	78%	17%	6%	100%

Risk categorisation

Percentage split of each risk level by category

Risk category	Risk level		
	Low	Medium	High
Safeguarding/student welfare	5%	6%	10%
Financial sustainability	23%	23%	31%
Governance and oversight	24%	12%	6%
Curriculum and outcomes	6%	11%	14%
IT/cyber security/data	8%	17%	11%
Health and safety	5%	4%	4%
Estates/capital projects	5%	8%	6%
HR/recruitment and retention	14%	13%	14%
Supply chain/procurement	4%	1%	0%
External relations	6%	5%	3%
ESG - environmental	2%	1%	1%
Total	100%	100%	100%

Risk category	Percentage
Safeguarding/student welfare	6%
Financial sustainability	24%
Governance and oversight	17%
Curriculum and outcomes	9%
IT/cyber security/data	12%
Health and safety	4%
Estates/capital projects	6%
HR/recruitment and retention	13%
Supply chain/procurement	2%
External relations	5%
ESG – environmental	1%
	100%

The top 5 risks

1. Financial sustainability

This category contained the highest percentage of 'high' level risks (31%) – indicating that financial-related risks are perceived to have the highest residual risk after mitigation strategies.

This aligns with national trends, as financial resilience is the greatest national risk for all charities. In our sample data, financial sustainability saw the highest number of risks overall (24% of total risks).

There are several sector-wide factors influencing this:

- 55% of trusts are forecasting an in-year deficit for 2025/26.
- One third of trusts from our sample expect to hold reserves below 5% of income at the end of 2025/26 – a level considered potentially 'financially vulnerable' by DfE. 50% of trusts predict they will fall beneath this level by 2028, and only 2% have reserves exceeding 20% of income.
- Teaching costs continue to rise at a faster pace than government funding.
- Falling pupil numbers, especially for primary schools, has a direct impact on per-pupil funding.
- Financial pressures for increased numbers of SEND and high-needs students, alongside shortfalls in local authority funding.

Emerging risks noted across trust risk registers include:

- Dependence on central cost-saving measures which are no longer viable. Further cost cuts will risk compromising education quality, safeguarding and employee welfare. This could translate into negative Ofsted outcomes, causing reputational damage and the exacerbation of the cycle of decreasing pupil numbers, associated funding etc.
- Reduced reserves may compromise estate maintenance, which can subsequently impact upon health and safety, and compliance issues resulting in costly litigation.
- Conflicting pressures arise as a result of the increased digital and technology risk and the lack of funding in this area.

The top 5 risks

2. Governance and oversight

The DfE always highlights good governance as essential for underpinning the success of trusts, so it is unsurprising that the second-highest number of risks (17% of total risks) related to governance.

However, 69% of governance-related risks were ranked as low-level severity. This indicates that strong, central processes can mitigate the impact and likelihood of these risks.

Common governance risks seen across trusts include:

- Related party transactions requiring strict transparency and oversight.
- Approval of high-level financial strategies without full consideration of the operational implications, particularly where financial pressures lead to cost reduction measures or inefficiencies that may adversely impact teaching quality, compliance, or staff and student welfare.
- Failure to fulfil trustees' responsibilities, including regular attendance at meetings and acting in the best interests of pupils and their families.
- Financial pressures leading to insufficient implementation, monitoring, and development of internal processes.

More specific or emerging governance risks include:

- Skills and knowledge gaps on boards emerging due to rapidly evolving regulatory and risk landscapes (e.g. cyber and IT security, safeguarding, SEND regulations, and emerging ESG regulations/considerations).
- Inaccurate, incomplete, or poorly presented data informing board decision-making, which may lead to strategic misalignment or governance 'blind spots'.
- Lack of formal governance frameworks for monitoring ESG performance, which may create potential for reputational, regulatory, or stakeholder criticism.

The top 5 risks

3. HR, recruitment, and retention

This area had the joint second-highest percentage of all high-level risks following mitigation strategies (14%), which reflects the significant operational exposure associated with workforce-related issues.

This is in-line with our expectations, as trusts are people-centred organisations. Further, the impact upon other areas such as student outcomes and safeguarding is highly dependent on the availability and capability of staff members.

The highest severity risks in this area mostly related to long-term absences, lack of succession planning, and difficulties in recruiting specialist and high-quality talent.

Standard risks in this area include:

- Difficulty in attracting and retaining appropriately qualified staff, particularly for specialist subjects.
- Growing competition between trusts for scarce talent.
- Rising levels of stress and mental health-related sickness and absences.
- Loss of key staff coupled with insufficient succession planning.
- Industrial action leading to school closures, unfavourable press coverage, and disruption to learning.

More specific or emerging HR risks include:

- Financial constraints resulting in HR teams shrinking or remaining static, despite rising demands (e.g. DBS compliance, training, mental health, or wellbeing support).
- Deteriorating pupil behaviour, including violence or abuse towards staff, contributing to higher staff turnover and requiring increased wellbeing and safety measures.
- Workforce compression, where leaders take on additional teaching duties due to staff shortages, which reduces capacity for strategic oversight and governance processes.
- Cross-trust inequity risk from unequal staffing reductions, which may decrease staff morale and create inconsistent service deliveries across schools.

The top 5 risks

4. IT, cyber security, and data

66% of IT-related risks in our data analysis remained rated medium-high even after mitigation, due to the potentially severe impact of cyber security breaches, especially when involving children's data.

Consequently, mitigation strategies focus mainly on reducing likelihood.

Standard risks in this area include:

- Lack of rigorous password and MFA policies for all individual accounts.
- Lack of appropriate account offboarding and suspension of IT access for leavers resulting in unauthorised access.
- Compliance with evolving cyber-security requirements (e.g. cyber insurance) and GDPR.

Emerging and increasingly relevant risks in this area for trusts to consider:

- Use of AI by both staff and students (and the associated data-protection implications of this).
- Reputational risks through inappropriate social media usage by students and/or staff.
- Increasing sophistication of impersonation attacks – such as the use of deepfakes over video calls and voice mimicry software to impersonate MAT leadership or HR.
- Increasingly common remote working policies and the associated threats of unauthorised individuals seeing confidential data (“shoulder surfing”).

5. Curriculum and outcomes

This area had the joint second-highest percentage of all high-level risks (14%), following mitigation strategies (alongside HR).

Common risks for this category include:

- An increasing number of learners with complex needs enrolling in schools due to limited alternative specialist provision providers. A lack of external specialist support services and training, or low confidence amongst staff, can result in these SEND students' needs not being sufficiently met.
- Inequitable curriculum provision across trust schools leading to variable outcomes.
- Negative or downgraded Ofsted ratings.
- Narrowing of curriculum due to financial and specialist staffing constraints.

Some less common or emerging risks to consider:

- Weak adaptive teaching for high attainers – focus on SEND support can unintentionally reduce teaching quality and challenge for high-performing pupils.
- Unintended student skill gaps due to technological advancement – certain foundational skills such as extended writing, deep reading stamina, and critical thinking or problem solving may weaken due to over-reliance on devices with typing, auto-correct, and AI access.
- Potential for insufficient safeguarding curriculum coverage – for instance, online safety (particularly with the rise of AI/deepfakes), relationship, and mental health education.

Less common risks to consider

1. ESG and environmental

We observed the lowest number of risks related to this area, with low-rated severity (78% of risks in this area ranked as 'low'). While ESG-related risks may not be as direct or significant as financial or governance risks, they remain an area that trusts should not overlook. As regulatory and reporting requirements continue to evolve year by year, trusts that fail to give due attention to ESG could find themselves exposed in the future.

Evolving risks to consider in this area:

- The awareness, monitoring, and associated costs of compliance with continuously evolving regulations, such as the Separation of Waste Regulations introduced in 2025, and the sustainability and climate change strategy for education.
- The impact of extreme weather conditions requiring temporary school closures or causing damage to school property.
- Streamlined Energy and Carbon Reporting legal requirements continue to evolve, and the accuracy of the underlying data remains variable. Our benchmarking in this report suggests a significant variance between trusts in the omissions reported, which may indicate poor-quality data being used as the basis for these calculations.
- Environmental or sustainability non-compliance of key suppliers having a knock-on impact on the trust.

We also note that the Charities SORP 2026, which the Academies Accounts Direction will be based on for 2026/27, includes greater reporting within the trustees' report around ESG.

2. Supply chain and procurement

Overall this area appears to be a comparatively lower priority area across MAT risk registers, with 76% of risks in this category being rated as low severity. Lack of high-severity risks in this area suggests that procurement risks are generally well-understood and able to be mitigated through governance and policy structures.

Further risks to consider in this area:

- Overreliance on single or critical suppliers, which creates an inherent vulnerability. Any disruption to the supplier's operations could impact the delivery of trust services. Dependence on a single supplier may also reduce a MAT's bargaining power and increases the risk of poor value for money.
- Cybersecurity and data risks within the supply chain, particularly for IT, payroll, or cloud-based learning application providers which may store sensitive staff and pupil data. Weaknesses in the cyber control of these suppliers increases the risk of data breaches and safeguarding violations.
- Individual schools operating outside of trust-wide procurement processes, which may lead to financial inefficiencies, increased fraud risk, and inconsistent

standards across the trust. This lack of consistency may also heighten the risk of non-compliance with regulations, including the Procurement Act.

- We also note that procurement failings are not uncommon in the academy trust centre and that supplier due diligence, contract management, management of conflicts of interest, and procurement processes are essential. Trustees should consider whether they have real assurance that these processes are operating effectively and, for example, tender waivers are not going unnoticed.

3. Estates and capital projects

Risks to consider in this area:

- Insufficient funding to address essential maintenance issues, potentially resulting in health and safety risks and partial closure of spaces, which will subsequently disrupt resourcing and timetabling etc.
- Overrunning or poorly managed capital projects may result in works occurring during term time, which can create health and safety, safeguarding, and educational disruption issues.
- Presence of Reinforced Autoclaved Aerated Concrete (RAAC), asbestos, or other harmful materials not being identified, monitored, or remediated appropriately – leading to health and safety risks, regulatory intervention, or unplanned closures.
- Contractor failure or insolvency mid-project, leading to significant delays and financial losses.

Appendix 1: Glossary

Appendix 1: Glossary

Academic year

The data used in the report is based on the 2024/25 academic year, being the year from 1 September 2024 to 31 August 2025.

Current ratio

Total current assets divided by the current liabilities (creditors due within one year).

GAG

The General Annual Grant for the Trust, which includes the School Budget Share (SBS), Minimum Funding Guarantee (MFG), Education Services Grant and Schools Supplementary Grant (SSG).

Higher paid employees (HPE)

Employees receiving remuneration of over £60,000 in the academic year (not including employer national insurance or employer pension contributions).

Key management personnel

Persons having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, including any directors (whether executive or otherwise) of the entity.

MAT

Multi Academy Trust. One company running two or more academies.

Operational income

Total income excluding fixed asset fund income (such as capital grants and donated fixed assets) and amounts donated on conversion.

Operational margin

The surplus/(deficit) for the year (after transfers and excluding movements on the fixed asset fund, LGPS adjustments, and amounts donated on conversion), as a percentage of the operational income.

Other restricted funds

Restricted funds that are not restricted DfE funds, such as grants from local authorities.

Payroll costs

The total cost of employees, including gross salary, national insurance, agency costs, and pension contributions.

Restricted income funds

Restricted funds from the DfE towards the Trust's educational activities.

SAT

Single Academy Trust. One company running one school.

SCA

School Condition Allocation capital funding.

Staff costs

Payroll costs plus expenditure on agency staff and severance payments.

Staff costs ratio

Staff costs as a percentage of operating income.

Unrestricted funds

Those funds which can be utilised for any purpose consistent with the charitable company's objects.

Appendix 2:
**Statistical
notes**

Appendix 2: Statistical notes

Sources

All information used to compile this report can be found in the statutory accounts of each trust and from data collections published online. It is therefore publicly available on government websites, the trusts' websites, Companies House, and schools financial benchmarking websites. The majority of trusts in the sample are audited by Buzzacott, with the sample supplemented by information from the statutory accounts of other trusts, particularly in the case of MATs. The 'large MAT' category includes an additional 13 of the largest MATs in the country.

Outliers

Although the activities of academies are broadly similar, there is significant variation across the sector and, as with any dataset, outliers will exist. In the vast majority of graphs and statistics in this report, outliers have been excluded to avoid distortion, as the sample size is not large enough to absorb their effect.

Sample sizes

Type of trust	Sample size for 2025 data	Sample size for 2024 data	Sample size for 2023 data
Large MAT MAT with more than 9,000 pupils	25	25	25
Medium MAT MAT with 2,500 to 9,000 pupils	35	29	30
Small MAT MAT with fewer than 2,500 pupils	17	20	20
SAT Single Academy Trust (includes primary, secondary and special)	29	30	36
Total	106	104	111

Appendix 3:
**Our team
and services**

Appendix 3: Our team and services

Buzzacott has a team of over 100 specialist academy auditors and has been supporting the sector since its earliest days.

We're the leading provider of academy trust audits in London, the Southeast and for large national MATs. We work with a wide range of trusts from long-standing single academies to many of the largest multi-academy trusts in the country.

Auditors

An extensive team of auditors that have worked with academy trusts for over 20 years.

VAT

Our VAT consultancy team includes academy VAT experts.

Accounts consultants

A team of dedicated accountants that can provide detailed support to those in the finance function.

Internal scrutiny

A team of assurance specialists providing internal scrutiny services across a wide range of topics.

Tax specialists

A charity tax team led by a dedicated charity tax partner.

Other specialists

IT specialists, data analysts, due diligence specialists and many more.



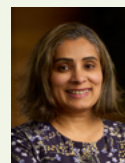
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