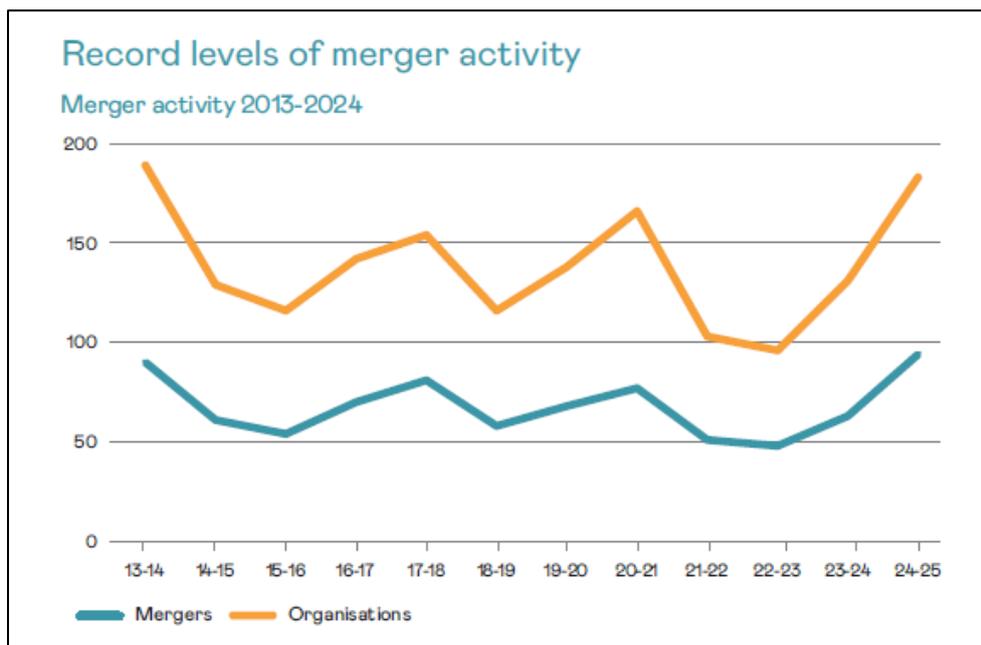


Press Release: Under embargo until 08:00 on 11th March 2026

Good Merger Index (GMI) reveals record-breaking year for charity mergers as financial pressures reshape the sector

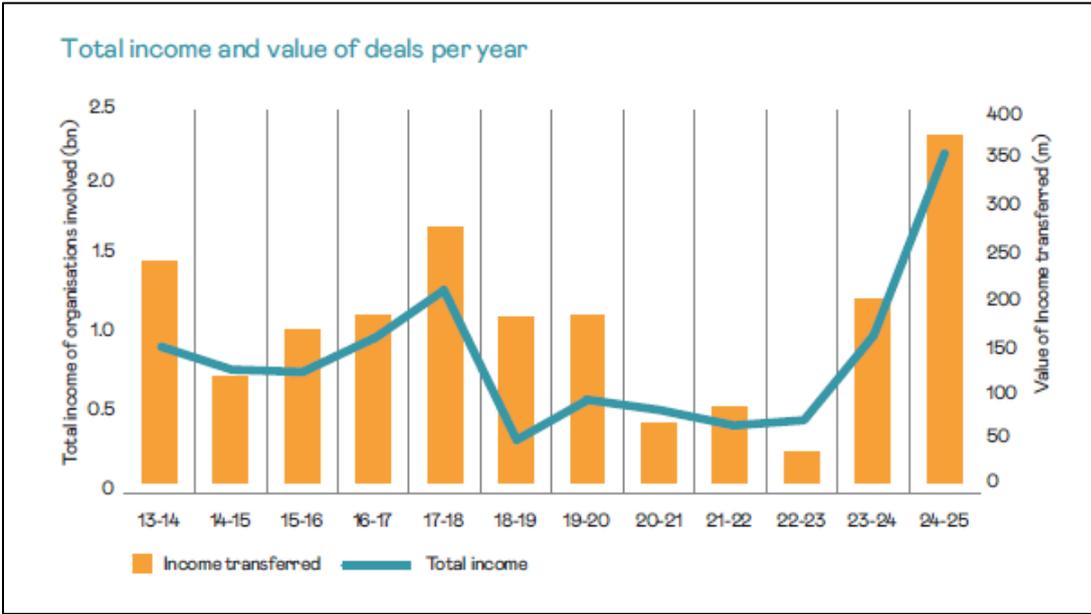
Charity and social enterprise consultancy Eastside People has today launched the Good Merger Index 2024/25, the review of merger data across the charitable sector in England and Wales.

The research reveals the highest number of charity mergers in the Index’s 12-year history. Between May 2024 and April 2025, there were 94 mergers involving 183 organisations - a 49% rise on the previous year and almost double the activity seen in 2022/23 which followed 2 years of record low levels of activity during COVID-19.



The findings reflect a sector undergoing profound restructuring as charities respond to rising demand for their services, economic uncertainty and persistent financial strain. This strain is driven by cuts in public sector funding, declining donations and increasing operating costs in areas such as employment, energy, food, rent and service delivery.

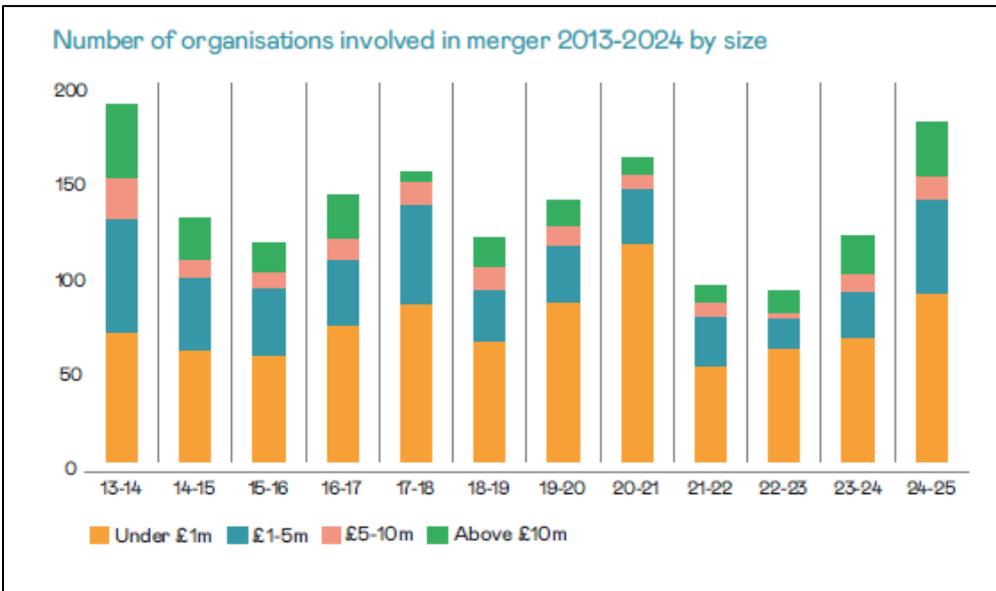
The report identifies an 111% increase in the total income of organisations involved reaching £2,181 million, while the total value of services and activities transferred soared to £362m, an 84% increase year-on-year.



Independent schools and small charities drive sharp increase

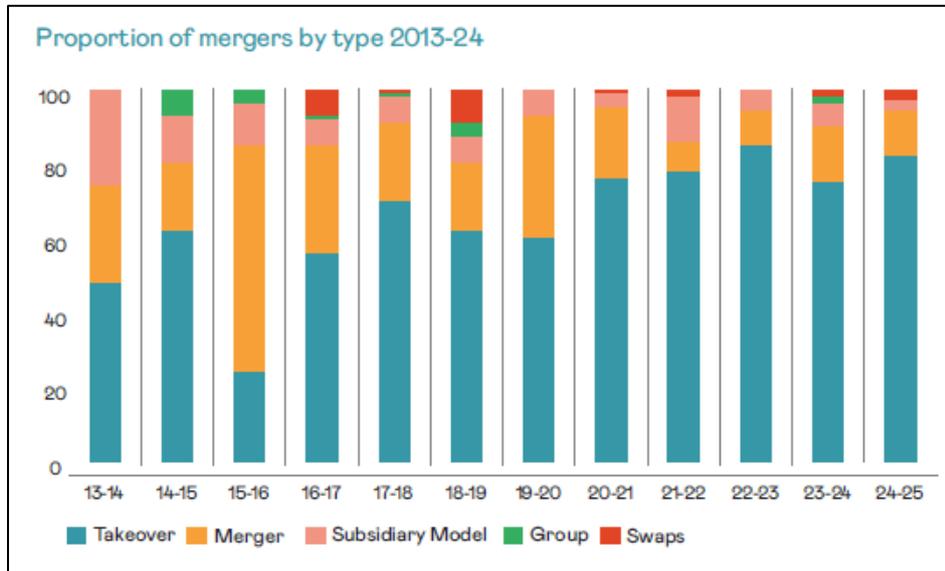
A major factor behind this year’s surge is the consolidation of the independent schools’ sector, which accounted for 13 of the 20 largest mergers. VAT changes, cost pressures and declining fee income have accelerated activity at a pace not previously seen.

At the same time, merger activity amongst small charities (under £1m turnover) has risen significantly, highlighting ongoing pressure on local organisations delivering essential community services. Over half (56%) of transferor organisations - those being acquired or merging - were in deficit in the year before merger, confirming that financial necessity is increasingly driving organisations to seek a stable partner.



Takeovers dominate as charities pursue resilience

Takeovers continue to be the most common form of merger. The data suggests that many smaller charities are seeking a ‘safe harbour’ within stronger organisations, particularly in health, social care, disability and family support services.



However, the GMI also shows that many mergers are strategic rather than reactive, with boards pursuing growth, digital transformation, improved efficiency and wider impact.

Case studies highlight innovation and mission-led decision making

The report features powerful case studies illustrating different merger pathways:

[Mental Health Innovations and The Mix](#) chose to merge and create a unified digital mental health offer for young people, enabling them to work as one under two different brands.

“We realised we were competing for the same funding, even though we were trying to solve the same problems. It made sense to join forces - not just to be more efficient, but to be more impactful.”

Victoria Hornby CEO of MHI

“Our shared history meant we were well placed to understand how we could bring our services together for greater impact and to take better advantage of the opportunities offered by new technologies to achieve this.”

Chris Martin ex CEO of The Mix (now CEO of MQ Mental Health Research).

[PACEY](#) completed a fast, criteria-led partner search to find a suitable larger charity (CORAM) that could sustain and strengthen their role as a champion for childminders amid sector-wide funding decline.

“The direction of travel in early years funding was very clear after the pandemic. We needed to act, but we needed to act in a way that protected our members and our integrity. This wasn’t about finding any partner - it was about finding the right one.”

Helen Donohoe, Ex Chief Executive PACEY.

Trussell found a new home for their small but resource-intensive retail arm at Shaw Trust. This approach delivered a values-led divestment which allowed Trussell to refocus on mission while also ensuring continued support for the staff and local communities impacted.

“A structured approach helped us stay focused on finding the best organisation to take over the retail portfolio, while flexibility meant we could adapt as needed. We are proud of the outcome. Trussell Retail Limited (TRL) has found a new home with an organisation that shares our values.”

Tina Higgs, Director of Finance, Trussell.

“We have managed to achieve a fantastic result that has given the services a bright future and new home. This story really is a win-win for both organisations, but more importantly for the individuals that they support.”

James Robertson, Chief Financial Officer Shaw Trust.

Quote from Cara Evans, Head of Partnerships and Mergers, Eastside People

“This year’s Good Merger Index shows a sector under real pressure but also one demonstrating extraordinary adaptability. The record number of mergers tells a clear story: charities are making tough, strategic decisions to protect services and ensure long-term resilience. In a challenging environment - financially, operationally and emotionally - organisations are choosing collaboration as a way to stay mission focused and meet rising community needs. What we’re seeing is not a failure of the sector, but its strength.”

A sector finding new ways to survive and thrive

The Good Merger Index highlights that while 2024/25 has been a difficult year for many charities, merger has increasingly become a practical and proactive tool for sustainability, innovation and impact.

Eastside People encourage boards, funders and policymakers to recognise mergers as one part of a broader resilience strategy—and to engage early when exploring partnership options.

ENDS

The Good Merger Index will be available to download from the Eastside People website at 08:00 on Wednesday 11th March here:

<https://eastsidepeople.org/resource/charity-merger-research-latest-good-merger-index/>

Key Statistics:

Mergers, in most cases, do not happen quickly. Decisions taken to merge may be made a year or more before the completion of the merger. Because many mergers are announced in early April each year, we used a 12-month period running from 1st May 2024 to 30th April 2025 for the data in the report.

- The highest number of mergers since we began our Good Merger Index 12 years ago with 94 mergers involving 183 organisations in 2024/25, marking a return to levels of activity not seen since 2013-14
- The total number of mergers has increased by 49% compared to 2023-24, and 96% compared to 2022-23
- A record total value of organisations involved in mergers of £2,181 million, a rise of £1,146 million from the previous year (an 111% increase in total value)
- The total value of services and activities transferred reached £362m, an 84% increase year-on-year
- The size of the 20 largest deals has increased 72% compared to 2023-24 representing 88% of the total financial value (lower than last year's 94%)
- The year-on-year increase in the number of smaller organisations that are in deficit the year before they merge into a larger organisation rose from 47% in 2021-22 to 56% this year
- An increase in the number of school mergers: There was only 1 school merger in the top 20 in 2022-23, there were 9 in the top 20 in 2023-24 and 13 in the top 20 for 2024-25
- A significant increase in mergers among the smallest organisations (with income under £1m). This year, 88 organisations under £1m were involved in mergers, compared to 65 in 2022-23, 59 in 2022-23 and 50 in 2021-22.

Notes:

- The geographic focus is England and Wales, although we include significant mergers where organisations in this region involve others from outside the region
- Most organisations were registered charities and companies limited by guarantee. Our data can include community benefit societies, registered providers and community interest companies
- We do not generally include multi-academy trusts (MATs), universities (regulated by the Office for Students) or pure housing association mergers, except when one party is a registered charity.

References:

At the time of writing, there are c170,700 main charities and c14,000 linked charities in England and Wales. <https://register-of-charities.charitycommission.gov.uk/sector-data/sector-overview>

The launch of Eastside People’s latest Good Merger Index (GMI) Review will take place via Zoom on Wednesday 11th March 2025 from 09:30 to 10:30.

Join our annual [Good Merger Index launch](#), a review of the latest report. We will be joined by:

- [Helen Donohoe](#) former Chief Executive of PACEY who led the organisation through its successful transition into the [Coram Group](#)
- [Michelle Hill](#) founder and Group Chief Executive who has led the transformation of [TLC: Talk Listen Change](#) from a small local organisation into a £8m national charity and integrated parts of Relate into TLC
- [Luke Fletcher](#) leading expert in charity law and partner at Bates Wells.

About Eastside People

We are an award-winning consultancy and recruitment specialist working exclusively with charities and not-for-profit organisations – and we do things differently.

Eastside People is proud to have:

- Delivered more than 3,000 projects driving meaningful change
- Supported 1,271 charities and not for profits with advice and expertise
- Completed over 50 mergers strengthening 129 charities and representing almost £300m in combined value
- Successfully delivered over 580 recruitment projects
- Achieved an outstanding 9.2 out of 10 rating for skills and know how.

Our community of brilliant, [experienced professionals and consultants](#) from diverse industries and backgrounds share a single focus: enabling the charity and wider not-for-profit sector through consultancy and recruitment services. We help industry leaders build capacity, strengthen sustainability and increase the impact of their organisations to bring about lasting social change.

<https://eastsidepeople.org>

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