

25 September 2017

To All Parents and Carers of Plymouth CAST Pupils

### **Plymouth CAST Financial Notice to Improve**

I am writing to inform you that Plymouth CAST received a Financial Notice to Improve (Financial Notice) from the Education and Skills Funding Agency (ESFA) on Friday 22 September 2017.

#### *Who are the ESFA and what is a Financial Notice?*

The ESFA is the government's agency accountable for funding Education and Skills for children, young people and adults. It is this agency that manages the provision of the GAG (General Annual Grant) which funds our schools. If the ESFA has concerns about financial management, it has the power to issue a notice with which we must comply.

#### *Why have we received a Financial Notice?*

I must start by reassuring you that there is absolutely no suggestion of financial impropriety. Indeed, the Trust board started this process by writing to the ESFA in June 2017 to express our concern that the Trust's current financial operating model was not sustainable. The position today is that some of our schools are forecasting to spend more than the income they receive, which is not a position that can be allowed to continue.

The Board has already taken action to address this by ordering a complete financial review of the Trust by an independent auditor, together with the introduction of a new Financial Management System in all our schools. As you know we had already been considering ways in which the structure of the Trust could be amended to improve the financial situation.

To comply with the notice we shall have to restrict our spending so that all schools set balanced budgets and restrictions have been placed on our ability to manage our funds for example we now need permission to commit monies. This is in order to ensure that the Trust comes into line with national benchmarks.

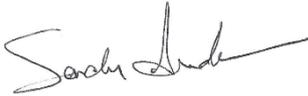
We will continue to work very closely with the ESFA and are confident that we will be able to provide further assurance and improvement that will result in the Financial Notice being lifted as soon as possible.

#### *What impact will this have in your school?*

In the short term all Plymouth CAST schools will continue to operate as they do now as we continue to try to ensure that all our pupils receive the best possible Catholic education in a safe, caring and supportive environment. However, in the medium term there may be

some impact on staffing levels, particularly in schools that are spending above the limits specified by the ESFA; to bring them into line with other schools nationally.

I recognise that news of the Financial Notice is unwelcome and will cause some anxiety and concern to you as parents and carers. May I therefore assure you that I am confident we now have the right teams in place across Plymouth CAST to deliver the necessary assurance to the Education and Skills Funding Agency and ensure that Plymouth CAST both succeeds and prospers.

A handwritten signature in black ink, appearing to read 'Sandy Anderson', with a long horizontal flourish extending to the right.

Sandy Anderson  
Chair Plymouth CAST