



# Good Governance: a Guide for Cathedral Chapters

## I Introduction

What can be sweeter to us, dear ones,  
than this voice of the Lord inviting us?  
Behold, in his loving kindness  
the Lord shows us the way of life.

From the Prologue to *The Rule of St Benedict*

The Cathedrals Measure 1999 required the establishment of three bodies in English Cathedrals: Council, Chapter, and College of Canons. Taken together these three bodies constitute the cathedral as a legal entity (an 'ecclesiastical corporation'), but under the Measure it is, specifically, 'the duty of the Chapter to direct and oversee the administration of the affairs of the cathedral.' These duties carry significant legal responsibilities for Chapter members. The final section of this paper sets out a series of principles which Chapters are encouraged to adopt to ensure the most effective possible governance and leadership of their cathedrals in accordance with these legal responsibilities. These principles will be broadly familiar to Chapter members who have been, or continue to be, trustees of bodies regulated by the Charity Commission. We hope that the principles will provide a useful check list for Chapter members as they fulfil their responsibilities, as well as a helpful accompanying narrative.

There is a subtle difference, however, between adopting principles and learning to inhabit them and live them out. The first part of this paper is offered as a modest starting point for bridging that difference: as a means of encouraging Chapter members to begin to reflect spiritually and theologically on their task, both as individuals and as members of their particular Chapter. Whether lay or ordained, all Chapter members are fulfilling a calling that requires wisdom, discernment, and patience. By paying the deepest possible attention to the 'voice of the Lord' whose invitation is to all, and by modelling that gracious invitation in their way of life together, Chapters have the opportunity to continue the task of enabling the cathedrals they serve to build and sustain the connections in our society that are so vital for the common good, locally, regionally, and nationally.

The Rule of St Benedict enjoins its readers to 'beg of (God) with most earnest prayer' to perfect whatever good work we begin to do. There is no better starting point for Cathedral Chapters as they seek to be faithful to their calling under God.

## II Charism: identifying the fundamental task

It is written,  
"Do everything with counsel,  
and you will not repent when you have done it" (Eccles. 32:24).

*The Rule of St Benedict, Chapter 3*

The Cathedrals Measure 1999 states that 'any person or body on whom functions are conferred by or under this Measure shall, in exercising those functions, have due regard to the fact that the cathedral is the seat of the bishop and a centre of worship and mission'. This definition of a cathedral derives from the Venerable Bede, writing in the eighth century. It is admirably succinct and memorable. It is also question-begging: how, in this or that context, is the worship and mission of a particular cathedral to be understood? This question is helpfully addressed in principle 2 below, which talks of the importance of Chapters 'understanding and owning the local expression of the cathedral's purpose.' It might be helpful to think of this task in terms of identifying, or more likely reaffirming, what could be called the 'charism' of a particular cathedral – those God-given gifts of people and place that combine to make possible the many distinctive ministries undertaken in cathedrals and which give their mission and values special characteristics. Reconciliation, pilgrimage, inter-faith dialogue, and social justice are mentioned here as just some examples of how a Chapter might understand the fundamental task of the cathedral it serves. This is not to diminish the other tasks that are common to all cathedrals, rather it is to remind Chapter members that those common tasks are undertaken in a local context that underpins them and through which, to a large extent, they must be understood.

Doing 'everything with counsel' is a good principle for Chapters to adopt when reflecting on the fundamental task. This underlies principle 3, which speaks of Chapters 'working effectively together both as individuals and as a team'. Learning to be reflective practitioners, developing the art of gracious listening, and valuing the many different perspectives and depth of experience present in all Chapters are all marks of a body that is functioning effectively and in which the transaction of business is life-giving and energizing rather than desiccated, devoid of spiritual moisture. Although it might be rare for a Chapter never to have cause to repent a decision, or the actions that are consequent upon it, the principle of making informed decisions is one which is, or ought to be, self-evident.

## III Arrhythmia, and bumps on the way

Let a man consider  
that God is always looking at him from heaven,  
that his actions are everywhere visible to the divine eyes  
and are constantly being reported to God by the Angels.

*The Rule of St Benedict Chapter 7*

Benedict's reminder of God's unceasing gaze challenges Christians to ensure that disagreement does not mutate into open dissension, and that adherence to a deeply held conviction does not undermine Christ's new commandment that we should love one another. Disagreement, and adherence to apparently opposing convictions, are not unknown even in Chapters, and the obvious dangers of reckless disagreement lie behind some of the language of principle 3, which speaks of the need for Chapters to 'comprise individuals who have...the maturity and ability to challenge constructively'. Of course, the importance of being alert to issues that might prove challenging – and therefore of preparing

thoughtfully rather than reacting abruptly - is a principle that it is easier to enunciate than act on. And there are other tensions and disagreements that Chapters are required to deal with, which have less to do with relationships *within* Chapter than with relationships *between* Chapter and other groups and individuals: the diocese (often understood, institutionally speaking, as being embodied in the diocesan office), the parishes, and the bishop. Sometimes such tensions can be creative, and Chapter 4 of *Spiritual Capital, the present and future of English Cathedrals*<sup>1</sup> reflects helpfully on some of these from an evidential base, citing examples of 'flexible and imaginative use of the Cathedrals Measure framework to respond to issues in ...dioceses'. At other times tensions have the capacity to disrupt and undermine the mission of a cathedral and a diocese: members of Chapter need to be alert to such risks, understanding the need for an appropriate degree of openness and accountability (principle 6) that 'helps to build trust and confidence' across the diocese.

#### **IV     Everything is connected: God's past, present and future**

'The present and future of English cathedrals lies particularly in their ability to enable and sustain a range of connections – between the tourist and the pilgrim; between people and the traditions from which modern life cuts them off; between the diverse organisations and communities that share the same social and physical space and infrastructure yet never meet; and between a people who may be less Christian than their parents but are no less spiritual, and the God who made, sustains, loves, and hopes for them to join him at his table.

from *Spiritual Capital, the present and future of English cathedrals*

Cathedrals are rooted, physically and spiritually, in a particular locality. This rootedness enables them to help the communities they serve, both to connect the past and the present in ways that are tangible, and to discover more fully what community might mean in a local context. Ledger stones, brasses, memorials, chapels – all contribute to an understanding of the way in which God's grace has been experienced across decades and centuries, even if that understanding is only inchoate in an age of decreasing religious literacy. Cathedral worship, a living sacramental sign that God dwells with us, is testimony to a faith that strives to speak to contemporary society, proclaiming the faith of the Church afresh in this generation.

But cathedrals are also places where God's future is glimpsed; they witness to what Rowan Williams has called 'a promise of universal community': in the tourist and the pilgrim, in the casual visitor and the regular worshipper, in the foreigner and the local inhabitant, in the wonderment of a child and the prayer of a passing shopper. Cathedrals are bearers of tradition, enablers of renewal and transformation, and living signs of God's coming glory. Those who serve them as members of Chapter are called above all to bear witness to the God in whom our past, present, and future are all as one, and whose kingly reign of justice, peace, and joy we await with eager longing.

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<sup>1</sup> 2012, The Grubb Institute/Theos

## V      **Good Governance: A Code for Cathedrals**

This code is based on the guidance available on the Charity Commission website entitled 'Good Governance: a Code for the Voluntary and Community Sector'. Whilst cathedrals are ecclesiastical corporations established for charitable purposes and are not subject to regulation by the Charity Commission, the AEC considers that cathedrals should regard advice from the Charity Commission as best practice, and should seek, where possible, to mirror the policies and practices applicable to regulated charities. Chapters are encouraged to adopt the principles set out below to ensure the best possible governance and leadership of their cathedrals.

### **Principle I**

An effective Chapter will provide good governance and leadership by **understanding its role**. Members of the Chapter will understand their role and responsibilities collectively and individually in relation to:

- their legal duties;
- their stewardship of assets;
- the provisions of the Constitution and Statutes;
- the external environment; and
- the organisational structure of the cathedral.

and in terms of

- setting and safeguarding the vision, values and reputation of the cathedral;
- overseeing the work of the cathedral; and
- ensuring good management and support of staff and volunteers.

Chapter members have a duty to act within the legal frameworks that apply to them and the cathedral. A full understanding of their role and responsibilities, the purpose and structure of the cathedral itself and the external environment will help them to fulfil their legal duties as fiduciaries and to lead and govern the cathedral effectively. The Chapter should lead by example, ensuring that individuals representing the cathedral in any capacity do so in a way that positively reflects its values. The ethos and culture of the cathedral should underpin the delivery of its activities and services and the achievement of its purpose as the seat of the bishop and a centre of worship and mission.

For Chapter members, this must include:

- accepting ultimate responsibility for the way the cathedral is directed and run in meeting its purpose;
- being alert to those matters that cannot be delegated to individual Chapter members or others;
- acting at all times in the best interests of the body corporate, and the cathedral's congregations, communities, and other stakeholders;
- ensuring the solvency and financial strength of the cathedral;

- safeguarding the cathedral's assets and using them only in furtherance of its purpose;
- taking a considered, proportionate and balanced approach to risk management;
- acting reasonably in their decision making and leadership of the cathedral;
- recognising and respecting that all Chapter members are equally responsible in law for the Chapter's decisions;
- complying with all relevant legislation and regulation applicable to the cathedral and the activities it undertakes and making appropriate public statements to confirm that this is the case; and
- ensuring that all Chapter members are properly appointed and are not disqualified from so acting.

Other important things to consider include:

1. Ensuring that the cathedral provides every Chapter member with all relevant information, including:
  - appropriate induction and training;
  - copies of key documents such as the Constitution and Statutes, and financial information;
  - a role description for Chapter members and further descriptions for any specific roles or functions; and
  - a handbook of other helpful information, including a code of conduct.
2. Understanding and ensuring independence of Chapter decision making and action (regardless of how individual Chapter members were appointed) and putting the needs of the cathedral and its purpose ahead of any other interests.
3. Establishing and periodically reviewing statements setting out the vision, mission and values of the cathedral. These statements should be developed in consultation with the cathedral's stakeholders, accurately reflect the cathedral's Constitution and Statutes, and be effectively communicated and easily understood outside the cathedral.
4. Ensuring that all Chapter members understand their relationship with, and responsibilities towards:
  - the bishop, Cathedral Council, College of Canons, congregations, cathedral communities, visitors and all cathedral users;
  - staff and volunteers;
  - committees, and any working and advisory groups;
  - subsidiary trading companies;
  - the Diocese and other organisations with which the cathedral formally collaborates;
  - funding bodies, including the Church Commissioners; and
  - the wider ministry of the Church of England and the Anglican Communion.
5. Being clear about what matters are strategic and what matters are operational in relation to Chapter oversight of the cathedral; avoiding inappropriate involvement in operational matters but taking responsibility for challenging and holding to account the Dean, Canons holding day-to-day responsibilities in the cathedral, and senior managers (e.g. the

administrator and senior management team) or others to whom they have delegated implementation of the Chapter’s strategic decisions.

6. Where Chapter members also act as staff or volunteers (clergy or lay), being clear about the capacity in which they are acting at any given time.
7. Ensuring that individual Chapter members do not act on behalf of the Chapter without authority.
8. Strategically reviewing all aspects of the cathedral’s work and functioning to ensure its overall effectiveness.

## **Principle 2**

An effective Chapter will provide good governance and leadership by ensuring **delivery of the cathedral’s purpose** as the seat of the bishop and a centre of worship and mission. The Chapter will ensure that the cathedral delivers its purpose by:

- understanding and owning the local expression of the cathedral’s purpose;
- developing and agreeing a long term strategy for the delivery of that purpose;
- agreeing operational plans and budgets;
- monitoring progress and spending against plan and budget;
- evaluating results, assessing outcomes and impact; and
- reviewing and/or amending the plan and budget as appropriate.

The cathedral’s purpose is its reason for existing so it should aim to secure the optimum means of fulfilling its purpose; to do otherwise would be failing its stakeholders including congregations, communities, funders and supporters. The Chapter should always bear the cathedral’s purpose in mind, and make decisions in the best interests of its role. The Chapter must also ensure that the cathedral remains focussed on delivering its purpose and avoids “mission drift”.

This must include ensuring that all activities, services and functions, particularly new ones, are in line with the purpose of the cathedral.

Other important things to consider include:

1. Identifying and considering the range of data and information from both internal and external sources to monitor delivery of the cathedral’s purpose.
2. Setting short, medium and long term goals and ensuring that cathedral-wide strategies are in place to monitor and implement these.
3. Ensuring that the cathedral’s stakeholders are supportive of, and committed to, achieving these goals.
4. Ensuring regular reports of all cathedral activities are made to the Chapter and given due consideration.

5. Ensuring that the cathedral's Finance Committee comprises members with appropriate skills who are able to advise the Chapter on financial matters, recommending to the Chapter an annual budget, providing Chapter members with timely and regular management accounts, and recommending the Annual Report and Accounts for approval by the Chapter. As Chapter members hold legal responsibility for the cathedral's finances, all Chapter members should be in a position to read and understand budgets and accounts in order to make informed decisions.
6. The Chapter and senior management team remaining alert to external and environmental factors that could result in the Chapter having to consider whether different ways of working may be required to meet the opportunities and challenges presented by developments.
7. Having systems in place to measure outcomes, assess impact and enable the Chapter to ensure the cathedral delivers its purpose and to identify:

- successes that the cathedral can celebrate;
- areas for improvement; and
- new opportunities and areas for work.

### **Principle 3**

An effective Chapter will provide good governance and leadership by **working effectively both as individuals and as a team**. The Chapter will have a range of appropriate policies and procedures, knowledge, attitudes and behaviours to enable both individuals and the Chapter to work effectively. These will include:

- ensuring the appointment of new Chapter members to meet the cathedral's changing needs in relation to skills, experience and diversity;
- providing suitable induction for new Chapter members;
- providing all Chapter members with opportunities for training and development according to their needs; and
- periodically reviewing their performance both as individuals and as a team.

To work in the best interests of the cathedral and its purpose, the Chapter needs to comprise individuals who:

- together have a mixture of knowledge, skills and experience that is relevant to the cathedral's circumstances and needs;
- have the requisite characteristics and skills to work as a committed, effective and supportive team, whilst retaining independence of thought and the maturity and ability to challenge constructively; and
- embody diversity in its widest sense, strengthening decision making by bringing a broad range of backgrounds and perspectives.

This must include:

- complying with the Constitution and Statutes concerning terms of office and manners of appointment of Chapter members;

- complying with requirements in the Constitution and Statutes concerning the frequency and conduct of Chapter meetings; and
- ensuring that Chapter members are, and remain, eligible to act and that appropriate checks have been carried out.

Other important things to consider include:

1. Ensuring that Chapter members are well-prepared and committed to attending meetings and contributing constructively, and that meetings have a well-structured agenda and good chairmanship.
2. Establishing and adhering to a code of conduct which sets out expected standards of behaviour.
3. Maintaining a strategy for Chapter renewal that will meet the cathedral's changing needs. This will cover succession planning for key skills.
4. Ensuring that the Chapter:
  - collectively provides a mixture of skills, experience, qualities and knowledge appropriate to the cathedral and its purpose;
  - takes an active and intelligent approach towards diversity, understanding the term in its widest sense, avoiding tokenism and using Chapter diversity to support its effectiveness;
  - invests sufficient time in developing positive working relationships amongst themselves and between the Chapter and senior staff, particularly the administrator; and
  - acts quickly and positively to deal with any relationship strains or breakdowns, using external facilitation or mediation where appropriate.
6. Using provisions in the Constitution and Statutes for appointing Chapter members effectively and intelligently, so that elections by groups and nominations by the Bishop are informed by the skill needs identified by the Chapter.
7. For staff (both clergy and lay) who are also Chapter members, ensuring that:
  - conflicts of interest are identified and properly managed; and
  - there is clarity about individuals' roles as staff members and as Chapter members.
8. Setting aside time to reflect on the performance and functioning of the Chapter and its committees as teams, and identifying and dealing with any areas for improvement.
9. Supporting Chapter members in their training and development, and to facilitate this, periodically reviewing the performance and development needs of each Chapter member.

## Principle 4

An effective Chapter will provide good governance and leadership by **exercising effective control**. As the accountable body, the Chapter will ensure that:

- the cathedral understands and complies with all applicable legal and regulatory requirements;
- the cathedral continues to have good internal financial and management controls;
- it regularly identifies and reviews the major risks to which the cathedral is exposed and has systems to manage those risks; and
- delegation to committees, staff (both clergy and lay) and volunteers works effectively and the use of delegated authority is properly supervised.

The Chapter is ultimately responsible for the decisions and actions of the cathedral. Chapter members need to be assured that everyone acting in the cathedral's name is complying with the Chapter's directions and the requirements of law or regulation. Chapters should provide direction, leadership and oversight without inappropriate involvement in operational matters. Delegation needs to be effectively supervised and monitored.

This must include:

- Ensuring, through appropriate policies, procedures and reporting mechanisms, that the cathedral understands and complies with all legal and regulatory requirements which apply to the cathedral, including:
  - the Cathedrals Measure 1999, the Care of Cathedrals Measure 2011 and other applicable Measures;
  - company law and the requirements of Companies House in respect of any trading subsidiaries;
  - employment law;
  - health and safety regulations;
  - data protection legislation;
  - equality legislation;
  - legislation applying to particular activities, such as fundraising and protection of children or vulnerable adults.
- complying with relevant provisions in the Constitution and Statutes and relevant law concerning the exercise of powers of delegation by the Chapter;
- acting prudently to protect the reputation, assets and property of the cathedral; and
- ensuring that the cathedral's assets and property are used only to deliver its stated purpose.

Other important things to consider include:

- I. Regularly reviewing the range and impact of risks the cathedral faces, including the risk of missed opportunities and the potential for small risks to snowball into higher impact risks. Considering the impact of each identified risk on stakeholders including staff and volunteers, long term plans and income generation, and putting in place strategies to manage those risks.

This includes having and regularly reviewing a risk register and appropriate risk policy outlining the Chapter's appetite for risk and how it will manage and limit the impact of identified risks.

2. Maintaining and regularly reviewing the systems of financial controls, internal controls, performance reporting, policies and procedures, with the Chapter periodically taking steps to assure itself of their effectiveness and relevance to the activities the cathedral undertakes and the risks it faces.
3. Recognising and maximising the value of diversity within the Chapter as a means of identifying and managing risks, especially as a way of challenging institutional assumptions and thinking.
4. Having clear written terms of reference for committees of the Chapter, other groups and panels, and for all delegated authority, which provide sufficient delegated authority and clear boundaries to allow officers, committees, staff, volunteers, consultants and agents to discharge their duty effectively, and which are regularly reviewed and updated.
5. Ensuring that effective reporting mechanisms are in place for committees of Chapter.
6. Periodically reviewing the cathedral's committee structure to ensure that it continues to meet the cathedral's governance needs.
7. Allowing the proper exercise of delegated authority by clergy, the administrator and other staff, and volunteers, without inappropriate interference, whilst being sufficiently involved and engaged to supervise properly, hold to account and retain ultimate responsibility for decisions and actions taken, through appropriate systems of monitoring and reporting back.
8. Taking appropriate professional advice where necessary before making important decisions, especially those involving material risk.

## **Principle 5**

An effective Chapter will provide good governance and leadership by **behaving with integrity**. The Chapter will:

- safeguard and promote the cathedral's reputation;
- act according to high ethical standards;
- identify, understand and manage conflicts of interest and loyalty;
- maintain independence of decision making; and
- work to fulfil the cathedral's purpose in the best way possible.

The Chapter, both individually and collectively, has ultimate responsibility for the cathedral's funds and assets, including its reputation. It takes the lead in setting and championing the values and ethos of the cathedral. It is vital that Chapter members maintain the respect of stakeholders and the public at large by behaving with integrity both when acting as fiduciaries and more generally. To behave otherwise risks bringing the cathedral and its work into disrepute.

This must include:

- having in place and scrupulously following provisions, policies and procedures for identifying, declaring and managing conflicts of interest and conflicts of loyalty;
- ensuring that the cathedral complies with the requirements of whistle-blowing legislation;
- managing relations and boundaries between the cathedral and any subsidiary companies, especially where individuals act as both Chapter members and Directors;
- always taking decisions in the best interests of the cathedral and its purpose, ensuring that:
  - the decision is within the Chapter's powers;
  - the Chapter is acting in good faith;
  - the Chapter has adequately informed itself and is basing its decision on a range of data and information that provides sound understanding of all relevant factors;
  - the Chapter is not allowing itself to be swayed by irrelevant factors; and
  - the decision is within the range of reasonable options open to the Chapter and can be justified as such to stakeholders, the Visitor, and, ultimately, the Courts;
- complying with laws against bribery, including implementing policies and clear guidelines concerning hospitality or gifts, the declaration and recording of offers of gifts or hospitality, and in what circumstances such offers may be accepted or must be refused; and
- complying with any statutory or regulatory requirements concerning reporting or disclosure of payments, expenses or other benefits that Chapter members receive from the cathedral.

Other important things to consider include:

1. Ensuring that the cathedral's values and ethos are enshrined in its policies and practices.
2. Including standards of ethical behaviour in the code of conduct for Chapter members.
3. Fostering a working environment that supports constructive challenge and welcomes different points of view.
4. Maintaining a register of interests and declaring an interest even if the Chapter member is unsure of its relevance and potential impact.
5. Being open and honest in all matters presented to the Chapter where a personal or business relationship may be perceived to impact adversely on (or simply influence) the work of the Chapter or the cathedral.
6. Where possible, seeking diversified income streams to help ensure that no single funder or income stream can exercise undue influence over the actions and decisions of the Chapter.

7. Where Chapter members or others act as spokespersons for the cathedral, ensuring that their personal views are never confused with, or represented as being, those of the cathedral.
8. Chapter members and other representatives of the cathedral should never accept gifts or hospitality where this could be perceived as being likely to influence their decisions.
9. Ensuring that any statement made on behalf of the cathedral is consistent with its mission, vision and values.
10. Where Chapter members are nominated or appointed by individuals or other bodies, being clear that the responsibility as a Chapter member of this cathedral is to act and make decisions in the interests of this cathedral, and not as a representative or delegate of the appointing individual or body.
11. Ensuring that all Chapter members understand and accept the need to be transparent and honest in all dealings with or on behalf of the cathedral, to avoid any public perception of improper conduct.
12. Having in place appropriate policies and procedures for whistle-blowing, including safeguards to protect individuals who whistle-blow.

## **Principle 6**

An effective Chapter will provide good governance and leadership by **being open and accountable**. The Chapter will lead the cathedral in being open and accountable, both internally and externally. This will include:

- open communications, informing people about the cathedral and its work;
- appropriate consultation on significant changes to the cathedral's activities or policies;
- listening and responding to the views of congregations, communities, supporters, funders, and other users with an interest in the cathedral's work;
- handling complaints constructively, impartially and effectively; and
- considering the cathedral's responsibilities to the wider community, e.g. its environmental impact.

Making accountability real, through genuine and open two-way communication that celebrates successes and demonstrates willingness to learn from mistakes, helps to build trust and confidence with stakeholders and to demonstrate legitimacy when representing them.

This must include:

- complying with the requirements under the Cathedrals Measure 1999 to produce annual reports and accounts which present a balanced and accurate assessment of the cathedral's performance;
- holding an annual meeting for members of the community or electoral roll as set out in the Constitution and Statutes or the church representation rules;

- complying with equality legislation; and
- complying with applicable legal requirements concerning community or electoral rolls.

Other important things to consider include:

1. Identifying those with a legitimate interest in the cathedral's work (congregations, communities, staff, volunteers, and other stakeholders) and ensuring that there is a strategy for regular and effective communication with them about the cathedral's achievements and work, including the Chapter's role and the cathedral's purpose and values.
2. Ensuring that the cathedral upholds principles of equality and diversity in every sphere of activity, going beyond the legal minimum where appropriate.
3. In cathedrals where Chapter members are appointed by groups, ensuring that the cathedral:
  - has clear policies on who is eligible for membership of a group;
  - has clear and accurate and up-to-date membership records;
  - keeps members informed about the cathedral's work; and
  - encourages members to participate in the governance of the cathedral, clearly informing them about the responsibilities of Chapter membership.
4. Recognising and acting on broader responsibility towards communities, wider society and the environment, in so far as this does not divert the cathedral from achieving its objects.

Association of English Cathedrals

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