

Lincoln Cathedral – a review for the Bishop of Lincoln

Summary of The Report

In April 2021 the new Cathedral Measure was given Royal Assent and results in some major changes in the way cathedrals are governed – including the need to have the structures and procedures in place that are necessary to register as a charity.

On 1 October 2021 the Bishop of Lincoln commissioned a report to assess “the effectiveness of current governance and management arrangements at Lincoln Cathedral and assess the cathedral’s readiness to become a registered charity”.

That review was led by The Rt Revd Graham James, former Bishop of Norwich and the panel included Sir William Fittall, former Secretary-General to the Archbishops’ Council; Lucinda Herklots, former Diocesan Secretary in Salisbury and a current lay member of Salisbury Cathedral Chapter; and Stuart Jones, the Diocesan Registrar of the Dioceses of London and Norwich.

The panel was tasked with considering whether the current management and governance structure at Lincoln Cathedral was sufficiently robust to meet the requirements of the new Cathedrals Measure and registration as a charity with the Charity Commission.

The panel conducted the review through interviews with staff, people connected with the life of the cathedral and assessing documents.

The following is a summary of the findings:

CONTEXT

1. Covid and change

Less than two years ago Covid-19, although already causing serious problems in China, was not in the forefront of many people’s minds in Western Europe. Since then, it has reshaped society and our attitudes and behaviours in a multitude of ways and had a significant impact on many of our institutions, cathedrals included. Lincoln Cathedral has been no exception. The closure of the Cathedral to worshippers and tourists during lockdown meant a serious reduction in income, and this was among the factors which led to a reduction in numbers of staff and re-arrangement of responsibilities for some of those remaining. This reflects what has happened in many other cathedrals, some even more significantly affected than Lincoln. However, there have been new developments at Lincoln too. The Visitor and Education Centre has opened and is already broadening and extending the capacity of the Cathedral to offer opportunities for hospitality and learning. Alongside this, there have also been significant changes in personnel. The Chapter has several new members. The various committees within the organizational structure have a substantial number of new lay advisers and appointees giving their time and expertise pro bono.

2. Governance, Management, and the Cathedrals Measure

In writing the report we have been mindful of the findings of the Cathedrals Working Group which, having surveyed the situation nationally, concluded in 2018 that: “The responsibilities and accountabilities of various cathedral bodies and roles are unclear or ambiguous under the current governance arrangements set out in the Cathedrals Measure [1999]. The consequent

confusion of governance and management has increased both operational and financial risks for the cathedral sector.”

The Working Group produced a series of recommendations that were largely accepted by the General Synod and incorporated into the Cathedrals Measure 2021. One of the consequences of the new legislation is that cathedrals will need to register as charities with the Charity Commission. Cathedral chapters have always been charitable corporations but, like bishops, they have until now stood outside the system of registration with the Commission. This will shortly change, bringing cathedrals into line with diocesan boards of finance and parochial church councils of churches with an annual income of more than £100k, which are already registered charities.

In assessing current arrangements at Lincoln, it is important, therefore, to maintain a sense of perspective. Governance and management arrangements have been found wanting in the cathedral sector more generally. We have been mindful of the need not to judge Lincoln by standards which many other cathedrals in the country would not yet meet. In fact, Lincoln should take credit, in our judgement, for the journey of reform and modernisation on which it has travelled over the past few years, a journey entirely in line with the direction recommended by the Cathedrals Working Group and now enshrined in new legislation.

The Dean’s experience as a non-executive director of the Ecclesiastical Insurance Group from 2012 to 2020 has contributed to her well-developed insight into the distinction between governance and management which she has sought to bring to fruition when initiating change in these areas at Lincoln since her arrival in 2016.

3. Recent history at Lincoln Cathedral

When Christine Wilson became Dean in 2016, she inherited an institution that faced substantial challenges including being the only cathedral on Historic England’s At Risk Register, having work to do to keep income and costs in balance, and being well behind best contemporary practice in the management and maintenance of its substantial property portfolio, which includes 86 buildings many of which are grade 1 listed.

In addition, a particular emphasis seems to have been attached in the past to ensuring that those appointed to Chapter were representative of the wider county, diocese and cathedral community. While there was value in this, there had been a more limited focus on the need to secure a good mix of professional skills and experience relevant to the specific tasks of cathedral governance.

The new Dean understood the challenges and set out to address them, including securing Chapter agreement to some strategic themes and priorities and together with the newly appointed Chapter Clerk introducing a number of organisational structure and systems changes through which to bring about more corporate accountability.

The period since the first lockdown began in March 2020 has, of course, been hugely challenging for all cathedrals, not least those which, like Lincoln, normally rely on visitors for a significant part of their income. The challenges were exacerbated for Lincoln, partly because Covid hit while it was engaged in a complex £16m development project to create a new Visitor and Education Centre.

THE CURRENT SITUATION

1. Staff

It is worth, therefore, underlining the fact that Lincoln Cathedral has come through the past 18 months remarkably well. The new Visitor and Education Centre is open and due to be fully operational in March 2022. The process of furloughing and in some cases making staff redundant, painful though it was for all concerned, seems to have been managed as conscientiously and fairly as possible in the circumstances. The Dean and Chapter are very aware that staff morale is fragile and, now restrictions have eased, the Dean is making every effort to 'walk the floor' and talk to staff more frequently.

Grants received during Covid have been put to good use. A new HR system has been introduced which has greatly improved HR processes. The recently appointed HR manager is also part of wider investment in people, performance and training, both for staff and volunteers. A Remuneration Committee has been formed. The Cathedral's policies have recently been reviewed and updated as have the terms of reference for all committees. Members of committees now have role descriptions. Good progress has been made in recruiting committee members with appropriate skills and experience. There is a clear organisational and governance structure showing lines of responsibility and accountability.

2. Finances

Our consideration of the latest report and accounts lead us to conclude that the finances of the cathedral have been well managed through all the disruptions of the past couple of years. While an institution with such large ongoing fabric maintenance costs as Lincoln is never likely to feel financially secure, the balance sheet is in good shape and income exceeded expenditure, both restricted and unrestricted, in the year to 31 March 2021. There continue to be challenges in the provision of timely and user-friendly financial monitoring information, but the Audit Committee and the Auditors are satisfied that good financial controls are in place.

3. Current governance and management

Many aspects of the Chapter's current way of working seem to us to be impressive and entirely in line with the thinking that inspired the recent Synod legislation. The Chapter membership has changed almost completely in the last two years. Following a skills audit and the creation of role descriptions, members have been appointed for their specific professional credentials and to contribute where different areas of expertise are required - such as finance, legal, commercial, environmental and estates. Each lay member works with a nominated executive officer to champion specific areas of work and to offer strategic support whilst being clearly non-executive. This arrangement enables Chapter members to be more visible to staff, has enhanced performance and provided external oversight and expertise. In particular, the Chapter, supported by its Audit Committee, is fully seized of the importance of risk management.

The establishment of the Audit Committee in 2018, under the chairmanship of a former chief constable and member of HM Inspectorate of Constabulary, was an important development. The Committee, which is appropriately not a sub-committee of the Finance Committee, but

works independently, identified three priorities - providing professional oversight of finance, increasing the emphasis on risk management and engaging in a complete overhaul of security arrangements. It has pursued these objectives tenaciously and effectively.

The Chapter has also recently established a Nominations and Development Committee, entirely in line with the demands of the Cathedrals Measure. This should enable a more considered approach to the appointment of people to the various cathedral bodies, including looking carefully to ensure balance, a good skill mix and the avoidance of either group think or conflicts of interest.

An executive team was initially created as an operational action group to manage the handling of the pandemic. This has now become the senior management group for the cathedral. It meets fortnightly and is the co-ordinating group to ensure delivery of the priorities set by Chapter, to review and update the risk register and progress the action logs from the various sub-committees. While it is too soon to assess its effectiveness, its creation bodes well for securing that clarity between governance and management which the new Measure has been designed to achieve.

In addition, the cathedral has just been subject to a comprehensive safeguarding audit process from the Social Care Institute for Excellence. The final copy of the report is not yet available, but we have seen a late draft, which, while identifying areas where more work is needed, finds that strategic leadership of safeguarding at the cathedral is good and operational leadership strong. It is a tribute to the Dean and Chapter and the Cathedral Safeguarding Officer that such a positive report has been received.

We were somewhat surprised to discover that the Lincoln Cathedral Community Association (which is distinct from the Association of Friends of Lincoln Cathedral) appears to have a measure of autonomy that is greater than would be found in other English cathedrals. As we understand it, in many cases members of the cathedral congregation and community donate directly to the Association which then decides what to pass over to the Dean and Chapter.

Whatever the reason for their establishment and while we recognize that reforming such practices may not be entirely straightforward, it does seem to us that the way in which the Association and the Dean and Chapter relate creates an inevitable measure of distance between the Dean and Chapter and the congregation/community.

4. Communications

It is not surprising that communications have been difficult to do well given the various challenges of the past few years. But there is now a pressing need to raise the game across the board - in communications with and between the staff and volunteer teams, and with the wider cathedral community and the diocese which the Cathedral seeks to serve. The Cathedral's 'Transform and Thrive' programme focusses upon the central importance of people in delivering the cathedral's mission. We detected no reluctance to address this issue nor any shortage of relevant skills. Nevertheless, the challenge is significant. This is an area where, if it could be made available, some short-term financial assistance from the Commissioners to design improved communications structures and make them operationally effective would, in our view, be money very well spent.

SUMMARY AND RECOMMENDATIONS

- **We recommend** a review of arrangements between the Dean and Chapter and the Lincoln Cathedral Community Association would be timely, and Chapter would be well advised to discern whether there are useful lessons to be learned from how other similar cathedrals handle matters related to congregational and community giving.
- There remain a number of outstanding tasks in terms of governance. These include the review of the Constitution and Statutes; considering the future roles of the Cathedral Council and College of Canons; reviewing existing policies and Statements of Delegated Authority and Terms of Reference for the committees which are recommended to be part of the Constitution against the model templates provided by the Church Commissioners; and completion of the Due Diligence questionnaire for English Anglican Cathedrals provided by the Charity Commission and the collation of the requested documentation. This work will place a significant burden on the Chapter Clerk whom we believe to be well aware of the demands, and whom we found to have a very clear understanding both of his role and the needs of the Cathedral. **We recommend** that sufficient time and resource is provided for him. **We also recommend** that a task group is set up to oversee the detail of the implementation and that a project plan is developed quickly to ensure that Chapter has sufficient time to review and approve any amended documents.
- **We recommend** some short-term, focussed work on internal and external communications should be a key part of tackling the deficit of trust that exists. A modest amount of one-off financial support from the Church Commissioners to help with some design and implementation work would be money well spent.
- The arrival of an interim diocesan bishop in January and a new diocesan bishop in due course will provide the opportunity for a reassessment of cathedral/diocesan links and in particular of the personal, ongoing participation of the bishop in the life of the cathedral. From our knowledge of cathedrals elsewhere it seems to us that there are many good examples of where, without stepping beyond the bounds of their own responsibilities, bishops and deans have managed to forge a mutually supportive and creative partnership. **We recommend** that the interim bishop (and in due course the new diocesan) and the dean invest time in exploring what practical steps are needed to establish a creative and mutually supportive relationship that will be to the benefit of cathedral and diocese.
- The governance and management arrangements at Lincoln Cathedral have been significantly reformed in recent years and seem to us now to be very much in line with the recommendations of the Cathedrals Working Group which are reflected in the 2021 Measure. In addition, no one has put it to us that the Cathedral is not in a fit state to do the necessary detailed work with the Church Commissioners on an application to the Charity Commission to become a registered charity. **We recommend**, therefore, that Lincoln should take its place alongside other cathedrals in the process to become a registered charity.

