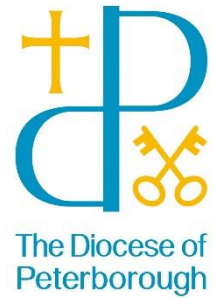


THE BISHOP'S VISITATION CHARGE TO PETERBOROUGH CATHEDRAL

January 2017



Introduction

1. Last year there was a cash flow crisis at the Cathedral. I sought help from the Church Commissioners and others. I am very grateful for the advice and support that I and the Cathedral have received, and in particular to those who have helped me understand what went wrong.
2. The problems clearly lie much deeper than simply managing the cash flow. There is a substantial operating deficit, most of the Cathedral's properties are mortgaged, there are no free reserves, and there are serious levels of debt.
3. The purpose of this Charge is to help put the Cathedral's governance and financial management on a more secure footing. This has begun already with the appointment of a suitably qualified and skilled Bursar, with some changes made to the leadership structure, and, sadly but necessarily, with some redundancies.
4. This Charge is a legal document, but I wish to make clear that I issue it in a spirit of co-operation and support. I believe it right, mutually beneficial, and in accord with the Christian Gospel, that Bishop, Cathedral, and Diocese should work together and support each other as much as possible. We all have the same calling: to proclaim Jesus Christ, and to enable his disciples to worship him and bear witness to him.

Directions and Recommendations to the Cathedral Chapter

5. As Visitor, I may give directions which regulate the internal management of the Cathedral with a view to the correction of such things as are amiss. Section 6(6) of the Cathedrals Measure 1999 also empowers me to give such directions to the Chapter, the holder of any office in the Cathedral, or to any person employed by the Cathedral as will, in my opinion, better serve the due observance of the Constitution and Statutes of the Cathedral. Further, I am entitled under the 1999 Measure to propose amendments to the Constitution and Statutes. I make the directions and recommendations which are set out below in the light of these powers.
6. The Constitution and Statutes are out of date in some respects, and need to be revised. **I direct that the Chapter shall review the Constitution and Statutes and propose to the Council such changes as are required to bring them up to date. Such proposals shall take account of the recommendations which I make below.**
7. The Church Commissioners have made a number of conditions relating to the financial and management support they are giving to the Cathedral. **I remind the Chapter that these conditions are legal requirements with which the Chapter is bound to comply.**

8. The Cathedral is the Bishop's Church. **I direct that the Bishop shall be notified of all Chapter meetings, and that he shall be sent copies of all Chapter papers. In order to facilitate consultation with the Bishop in respect of the general direction and mission of the Cathedral, I recommend that the Bishop should be invited to attend and speak at Chapter meetings.**
9. The Cathedral is the Mother Church of the Diocese. **I recommend that the Diocesan Board of Finance should be sent copies of the Cathedral management accounts and cash flow forecasts at least quarterly, and the full accounts annually.**
10. There has been a culture of small groups within Chapter making decisions. The Constitution and Statutes require that the Chapter should act as one body in which all members should be able to contribute. **I, therefore, direct that Chapter shall make its decisions corporately, that lay members and part-time members shall be given an equal say in its deliberations with the full-time Canons, and that the use of the outdated phrase "Dean and Chapter" shall be stopped.**
11. Continuity of responsibility is important, as are checks and balances. **I recommend that the Constitution and Statutes should be amended to direct the Dean, in consultation with the Bishop, to appoint one of the Residentiary Canons as Vice-Dean for an appropriate term. I recommend a renewable three-year term.**
12. **I direct that when the Dean is unable to attend, or at the Dean's request, the Vice-Dean shall be entitled to represent the Dean at any of the Chapter's committees, or other Cathedral meetings.**
13. Chapter committees can have an important place, and portfolio responsibilities for Chapter members can be very beneficial. In the event that the Chapter delegates any of its responsibilities to a portfolio holder, or business to a sub-committee, **I direct that the Chapter shall set out clearly the responsibilities of its members and committees, including details of delegated responsibilities. I further direct that all minutes of all committees shall be sent to the full Chapter.**
14. Lay people have an essential role as members of the Cathedral Council, Chapter, and Chapter's Committees. I am grateful for the time and expertise they offer. **I direct that the Chapter shall source and provide suitable training and support for these lay people, enabling them to fulfil their responsibilities, and ensuring that they know to whom they can take any concerns.**
15. Good administration is essential. **I direct that the Chapter shall employ a Cathedral Administrator, who may, if the Chapter prefers, be designated Chief Executive Officer. I recommend that the Administrator should not be styled Chapter Clerk or Dean's Assistant.**
16. Careful management of finances by a suitably qualified person, other than the Cathedral Administrator, is vital. **I direct that the Chapter shall continue to employ a Cathedral Bursar, who may, if the Chapter prefers, be designated Chief Financial Officer.**
17. **I direct that the Administrator shall be responsible, in consultation with the Dean, the Vice-Dean, and the Bursar, for preparing Chapter Agendas and Minutes.**

18. **I direct that both the Administrator and the Bursar shall receive all Chapter papers. Consistent with the better performance of their duties, I recommend that they should attend and speak at Chapter meetings and at meetings of Chapter committees.**
19. **It is the responsibility of the Dean to ensure that best practice is followed, and that the Chapter adheres to all requirements of relevant law, particularly charity and ecclesiastical law. In particular, members of the Chapter shall comply with their fiduciary obligations as members of the Chapter, and their obligations as charity trustees in relation to the management of restricted funds. Further, consistent with the performance of their duties, it shall be the responsibility of the Administrator and the Bursar to support the Chapter with clear and timely advice in these matters, and to report to the Chapter any concerns they have about the Cathedral's governance, its employment practices, or its financial and property management.**
20. **It is clear that the Cathedral's regular outgoings greatly exceed its current income and have done so for a considerable number of years. I recommend that the Chapter shall, as a matter of urgency, review the Cathedral's expenditure in the light of the Cathedral's financial position. While this review takes place, I recommend that no additional staff posts should be created, or people employed, or employees' hours of work increased.**
21. **Further, I recommend that the Chapter ensures that there is clear and regular teaching to the congregations on Christian giving as part of discipleship; and that all reasonable efforts, short of charging for general admission, shall be made to increase the income from property and events.**
22. **I direct that the terms of reference of the Advisory Committee on Finance shall include advising the Chapter on audit and risk. I recommend that the Chapter should delegate its oversight of investment management and the management of the Cathedral's property to a separate committee or sub-committee. I recommend that both these committees should be chaired by suitably qualified lay people who may, but need not, be members of Chapter, and that both should include at least one clergy member and one lay member of Chapter.**
23. **There are detailed technical recommendations included in advice I have received from specialist accountants and others. I will include some of these as further directions, and I will give further explanation of some of the directions I have given above, when I meet the Chapter in the near future.**
24. **I direct that Chapter shall implement all these matters in paragraphs 6-23 above by the end of 2017, or seek my agreement for any necessary extension. Further, I reserve the right to give any directions ancillary or consequential to these matters prior to the end of 2017 or such extended period as is agreed.**

Reflections for the House of Bishops and the National Church Institutions

25. **A hard case does not necessarily make good law, but I believe that there are lessons to be learned from the Peterborough situation by the Archbishops' Council, the House of Bishops, the General Synod, and the Deans' Conference.**

26. Peterborough Cathedral seems to have complied with the Cathedrals Measure 1999, but the accountability, scrutiny, and safeguards in that Measure were clearly insufficient to prevent the problems that occurred.
27. The Cathedral Council and the College of Canons, both of which see the Cathedral accounts, do not necessarily have the expertise, and certainly do not have the specialist staff, to allow them to exercise real scrutiny; and they have no powers to mount an effective challenge to the Chapter. They can have great value in terms of advice, goodwill, and networking, but they cannot hold the Chapter accountable.
28. The Chapter is exempt from scrutiny by the Charity Commission. The Church Commissioners, even though they pay for the Dean and two Residentiary Canons, have no standing powers or right to scrutinise. The Bishop, despite the Cathedral being known as his or her seat and Church, has no powers except the draconian one of Visitation – and that process has major legal complications and difficulties. The Diocese, whose mother Church the Cathedral is, and which risks serious reputational loss if the Cathedral has problems, has absolutely no standing in all this. In practice the Chapter is accountable to nobody.
29. In this Charge I have made some provisions to bring Peterborough Cathedral, for the time being, under a degree of oversight and scrutiny: to make it accountable to the Bishop and the Diocesan Board of Finance. The Church Commissioners' conditions for their support include another level of accountability. All these are, I believe, necessary steps for Peterborough Cathedral at the present time – though I hope that they will be seen and felt as a matter of co-working and mutual cooperation within the body of Christ, rather than as the imposition of accountability.
30. I urge the Archbishops' Council, the Church Commissioners, and the House of Bishops, to look at whether the current Cathedrals Measure is adequate, and to consider revising it. The Peterborough situation has convinced me that the high degree of independence currently enjoyed by Cathedrals poses serious risks to the reputation of the whole Church, and thus to our effectiveness in mission. A closer working relationship of Cathedrals with their Bishop and Diocese would be of benefit to all, both practically and spiritually.

+Donald Petriburg:
The Feast of the Epiphany
6 January 2017