

Llandaff Cathedral

Review of Governance for the Bishop of Llandaff and for Dean and Chapter

May 2018

Introduction

- 1 It has been our pleasure to work with and for the Bishop of Llandaff and the Dean and Chapter of Llandaff Cathedral in reviewing aspects of governance. We have particularly enjoyed spending time in the Cathedral with many members of clergy, staff and the congregation.
- 2 We worked to agreed terms of reference which are given in Appendix B. The review was conducted by:
 - reviewing reports, accounts and other documents;
 - meeting with 35 members of Chapter, staff, the congregation and stakeholders;
 - discussing an initial draft of the report with the Bishop and the Dean, and
 - meeting with the Bishop and the Dean and Chapter to review the report.
- 3 We are hugely indebted to:
 - Reverend Dr Sarah Rogers, who made all the arrangements for our work;
 - The Bishop and the Dean for providing direction, support and challenge;
 - the Cathedral Staff for their welcome, hospitality and help with our requests;
 - Rachel Davies, the Cathedral Accountant, who provided comprehensive and important financial information;
 - all those who gave their time freely to talk with us, and
 - those who provided written submissions.
- 4 None of the three of us had spent significant time in the Cathedral in the past, and we offer our first impressions:
 - a wonderful place with committed clergy, staff and congregation;
 - healthy attendance at services, with many young people;
 - a wealth of skills and experience, particularly in the congregation;
 - a choir which compares well with other cathedrals, and
 - one of the best organs in the country.
- 5 We know that Llandaff has had some difficult times, and we hope that through this report we can help establish a new platform from which the Cathedral can grow and prosper.

The Very Reverend Nick Bury
Jane Barker
Richard Bacon

Business Model

Chapter

- 6 Chapter governs the Cathedral according to the Cathedral's Scheme, and comprises the Dean and sixteen Prebendaries or Canons, *ex officio*. Appointment to these roles is made by the Bishop. There is no provision for co-option – these seventeen clergy alone form Chapter. This has been the model in all Welsh Cathedrals for many years.
- 7 Since 2014, Chapter has been a Registered Charity, and its members are charity trustees. Under Charity Law, trustees are jointly and severally liable for their charities, and have to follow Charity Commission and other guidance, including on governance. Trustees have a duty to act in the best interests of the charity at all times, and to observe the law.
- 8 In comparison with other charities, the current situation presents a series of potential difficulties:
 - Chapter cannot of its own accord choose its members, or have regard for the skills and experience required to run the organisation and a registered charity;
 - All Chapter members have full time stipendiary duties (including the Dean who is also Vicar of Llandaff), to which the Chapter responsibility is attached – it is not always the priority;
 - Chapter is a large body of charity trustees, which can make it difficult to provide for the flexibility to consider issues and make decisions, particularly at short notice;
 - The Treasurer, Chancellor and Precentor do not have defined roles; the Dean and the Residentiary Canon are the only members of Chapter who work full time at the Cathedral. There is a risk that everything falls to the Dean, and there is too much distance between the Dean and Chapter members, individually and as a body, and
 - Although there is a requirement to preach, the involvement of members of Chapter is not always well-organised and is difficult in practice because of other responsibilities and travel.
- 9 In June 2016, the Lewis Review of Welsh Cathedrals suggested smaller Chapters, meeting more frequently, with lay members. The Review recommendations have not as yet been implemented.
- 10 In April 2018, the Constitution of Newport Cathedral was considerably revised, allowing more flexibility. This may provide a precedent for change at Llandaff. We consider later in this report how Llandaff might restructure its own Constitution. We also consider how issues which have arisen in the past may provide evidence of a need for stronger governance.

Chapter in practice

- 11 We interviewed almost all Chapter members, each of whom regard it as an honour to serve the Cathedral. We were struck by a remarkable range of views about its effectiveness. In general, those who joined Chapter recently tend to be more positive, but there are issues which are referred to consistently, including:
 - the difficulty of balancing the role with other responsibilities, time to travel and so on;
 - the quality of communication between the Cathedral and Chapter, both in information provided, the timeliness of it, and
 - a difficult sequence of issues with previous Chapter Clerks; despite the Constitution requiring one, the role is currently unfilled, and Chapter needs advice and administrative support.

- 12 The last decade at least has been a difficult one for the Cathedral and the Chapter, because of:
 - breaches of confidentiality that undermine the effectiveness of governance;
 - the organ being affected by lightning and ceasing to function;
 - significant decisions made about the Organ project without appropriate advice or involvement of Chapter;
 - issues of discipline in the choir, and a difficult relationship at times with the School;
 - a financial position poorly supported by reserves, and
 - difficult transitions between Deans, including the previous Dean who was only in post for a number of weeks, and a period in which the previous Archbishop took control of the Cathedral.

- 13 All organisations go through difficult times, but Llandaff seems to have had more than its fair share of problems. Through all of this, Chapter as a body has remained ultimately responsible for the Cathedral, and now recognises that it must amend its governance to ensure that such problems do not recur.

- 14 The Lewis Review points, amongst other things, to a need for a broader range of experience on Chapter, involving lay people with experience directly relevant to a Cathedral's needs. On the basis of what we have seen, we believe that the Review's recommendations are highly relevant to governance at the Cathedral.

Parochial Church Council (PCC)

- 15 The PCC is currently a body of 15, elected annually. The Dean selects a Dean's Warden annually who acts for up to six years, and there is an annual election for a People's Warden who in practice generally serves for a number of years, again up to a limit of six years. Meetings seem well-attended currently, with enthusiasm to be involved and proactivity. The PCC has a reputation for working positively with the Dean to support the day-to-day operation of the Cathedral.

- 16 The current Constitutional position provides a number of challenges:
- The PCC is a large body, making it more difficult to discuss issues and make decisions, but its current size is not atypical, and
 - Election for a single year only runs the risk of losing the opportunity to build PCC members' understanding of the Cathedral, and to work on projects which last more than a year. At least a three-year term would provide more resilience, but the Constitution requires annual elections.

Future business model – suggested design principles

- 17 We suggest that the business model should at least address the following principles:
- Chapter should have more say over its membership, with the ability to appoint those with relevant skills, particularly lay members, with the agreement of the Bishop;
 - Chapter should be of a smaller size to facilitate efficiency in meetings and speedier decisions;
 - Governance which enables Chapter and PCC members, along with lay people with relevant experience and skills, to act together in the best interests of the Cathedral;
 - A mechanism for Chapter and the PCC to develop and own the Cathedral's Strategy and its delivery, and
 - Resources (people and money) to support Chapter, and the delivery of the strategy.
- 18 We considered four overarching options:
- Do nothing and retain current governance structure
 - No change to constitution, use committees of Chapter with lay involvement to run the Cathedral
 - Reformed Chapter with PCC/lay involvement
 - PCC becomes the legal entity which runs the Cathedral
- 19 We used the following criteria to appraise the options:
- Improving the engagement of Chapter with the running of the Cathedral
 - Having a governing body which can adapt and bring in new/different skills and experience
 - Enabling Chapter and the PCC to work together for the benefit of the Cathedral
 - Cost and resource impact
 - Providing an adequate mechanism for the Bishop to intervene if required
 - Ability to act quickly and decisively

- 20 Here is our very high-level appraisal, with + indicating a positive benefit, and – indicating a negative change.

	Do nothing	No change to Constitution, add committees	Reformed Chapter with PCC/Lay involvement	PCC as legal body for the Cathedral
Engagement of chapter		+	++	-
Adaptable for skills/experience		+	++	+++
Chapter + PCC working together		+	++	-
Cost and resource		-		
Safety valve				-
Acting quickly and decisively		-	+	

Appraisal - commentary

No change to Constitution, use committees with lay involvement

- 21 This has several benefits in engagement and skills, and provides some opportunity for Chapter to work with the PCC, with representatives on committees. It does introduce an additional formal level of governance, which adds cost and could slow down decision-making.

Reformed Chapter with PCC/Lay involvement

- 22 This has the potential to bring the required skills and experience to one place without the need for two levels of decision-making, and having one forum where decisions can be made quickly.

PCC as the legal body for the Cathedral

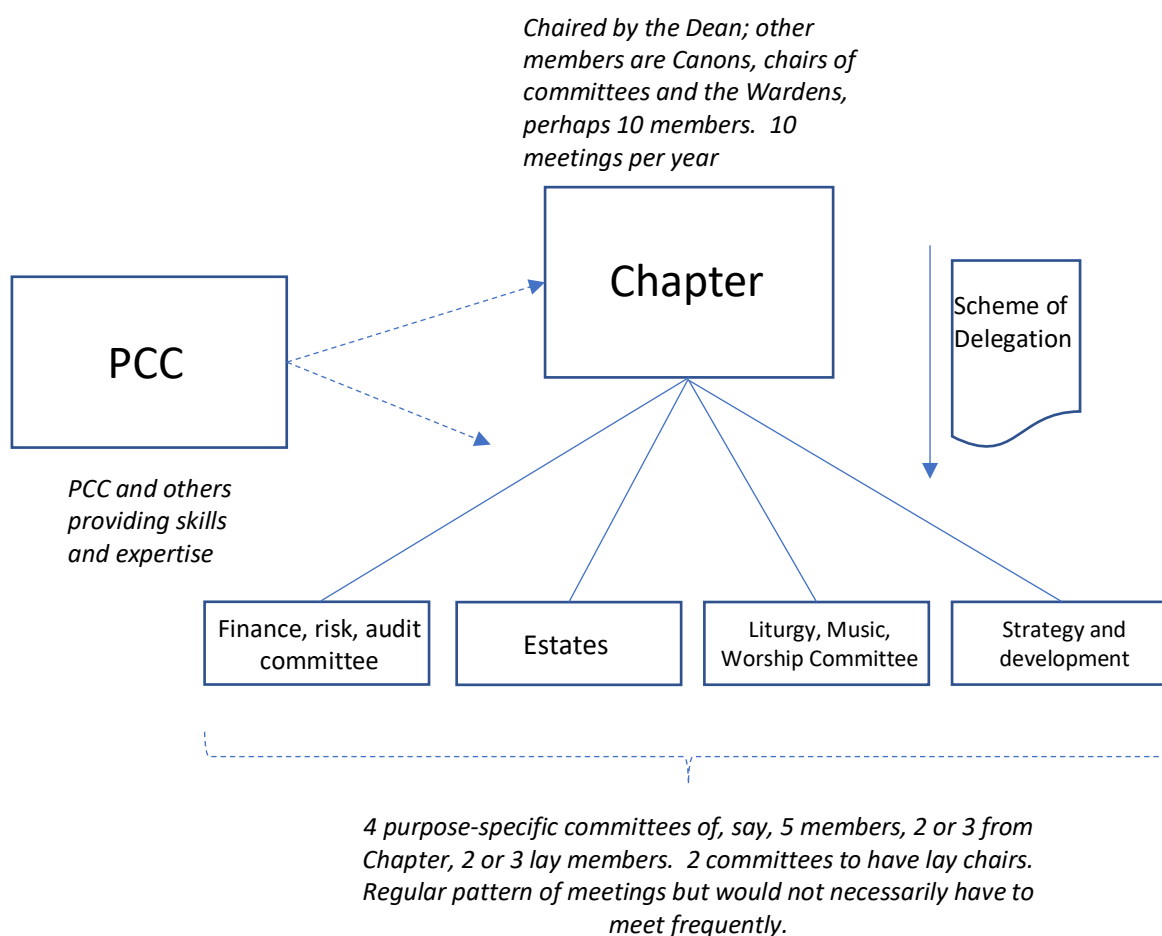
- 23 This would be very radical for the seat of a Bishop, with very poor representation of the clergy. It could bring skill in more effectively and flexibly.

Appraisal – development of a preferred option

- 24 In the time we have it is not possible for us to develop the detail of what is required for a reformed Chapter with PCC/Lay involvement. Our suggestions would be that:

- Chapter retains legal authority over key decisions, delegating the routine work to committees;
- Chapter should have a balance of membership between clergy and laity, with the Dean having a casting vote if required;
- Chapter should have the right to request others to attend its meetings;
- A small number of committees would be required. We suggest that the chairs of the committees should be members of Chapter;
- Chapter should recommend Chapter appointments to the Bishop for approval, and
- Chapter should appoint the members and chairs of the Committees.

25 The following diagram illustrates how this might work



Recommendation

26 The Bishop and the Dean and Chapter should consider our proposed governance structure and make plans to implement it.

Strategic Vision

27 As far as we are aware, the Cathedral has never had an approved comprehensive strategy. In November 2017, a draft came to Chapter, but it has not been finalised, approved or communicated. Most strategies cover a period of about 5 years, and we considered what the strategic objectives for the last 5 years might have been, from a governance perspective:

- restoring financial balance and building up reserves (good progress);
- sorting out the staff team (staff in the office are good);
- sorting out the Choir (exceptionally good progress from a very low base), and
- the relationship with the School (very good progress).

- 28 Our view is that the Cathedral has made good progress in the last few years without a strategy. A new bold and extensive strategic vision is now required, just to cover what we already know needs to be done. We do not believe that the current governance structure is capable of generating or implementing the necessary vision or strategy.
- 29 This work will require energy, time and resource, as well as a coming together of all those involved in the PCC. Realistically, the timescales might be:
- Establish new governance and leadership resource as soon as possible;
 - Constitution, Chapter roles and new committee structure improved in time for 2019 so that proper support and scrutiny for the strategy is in place for 2019 going forward;
 - There probably needs to be a Strategy Committee with a new strategy developed by say Easter 2019, with quick wins earlier if possible;
 - Business and financial planning on a new footing from 2019;
 - A Committee given the responsibility to ensure plans are delivered, and
 - Team and roles needs sorting out for 2019.
- 30 The latest Quinquennial Inspection requires essential work of £1.5m up to 2025, plus £400,000 of desirable work. The review estimates the cost of refurbishing Prebendal House at £2-4m, and we believe that this work should be planned for the mission of the Cathedral, rather than for commercial gain. Therefore £4-6m is required in the next 10 years. Fundraising capability is a priority – little can be done without it.

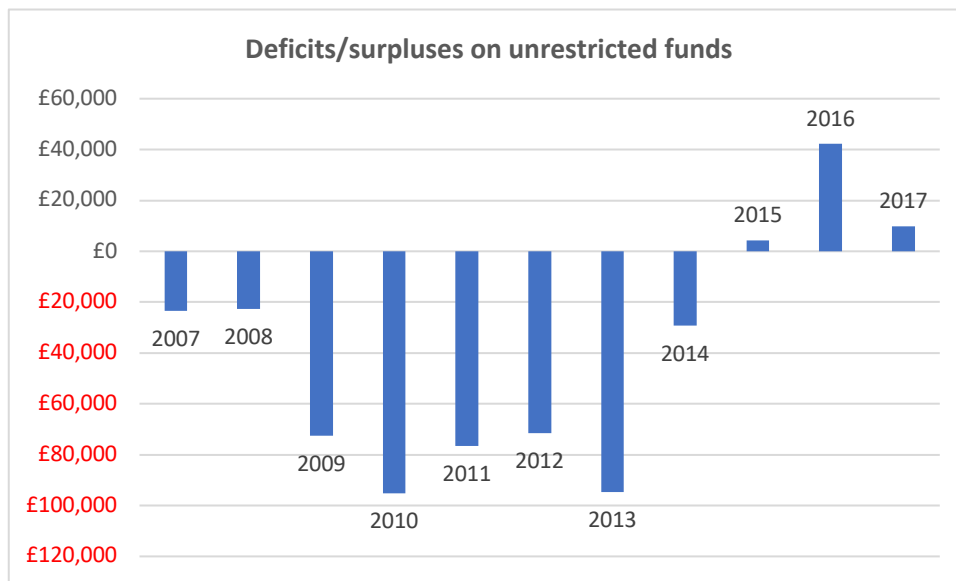
Recommendations

- 31 A clear brief for the work to produce the Strategy is required with proper project management, led by a member of staff (to be appointed) with relevant experience. Significant funding must be raised before going ahead with any element. The Cathedral should consider how much of its own resources it wants to devote to this, and look to others, particularly the Friends, to understand their appetite for helping to fund the development of the Strategy and to raise funds to support the elements of the Strategy.
- 32 The vision for this work is crucially important and needs engagement with all – congregation, PCC and the broader community. Strategic objectives based on the vision should be developed, followed by a clear plan with milestones. Progress should be monitored through Committees, Chapter and the PCC, and any likely bottlenecks identified and addressed.

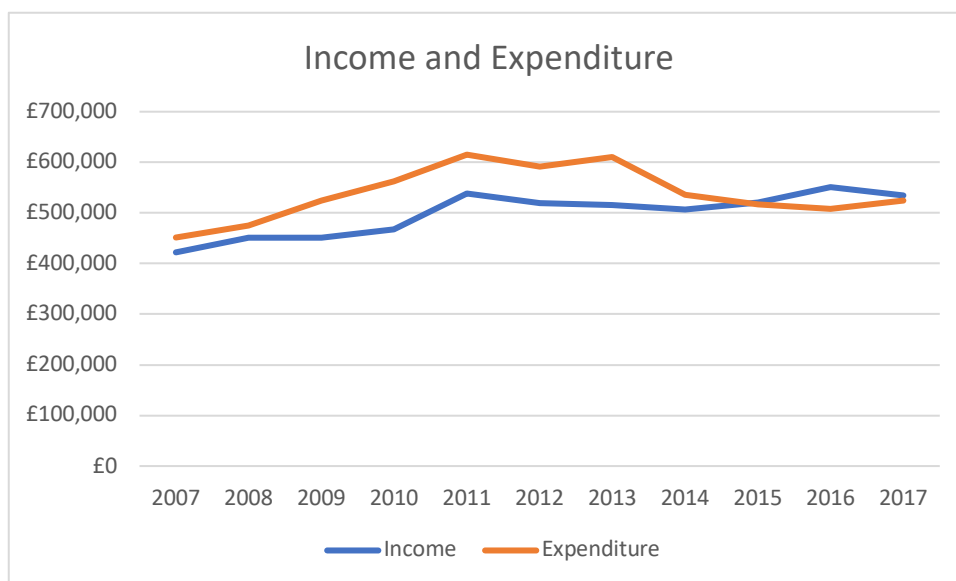
Risks – Finance

Analysis of recent financial performance

- 33 We asked the Cathedral accountant to provide information to us on the financial performance of the Cathedral since 2007. The most striking feature is that for 8 of the 11 years considered, the Cathedral ran a deficit, a total of £485,000 of deficit in those 8 years. More recently, the Cathedral has balanced the books and accumulated small surpluses.



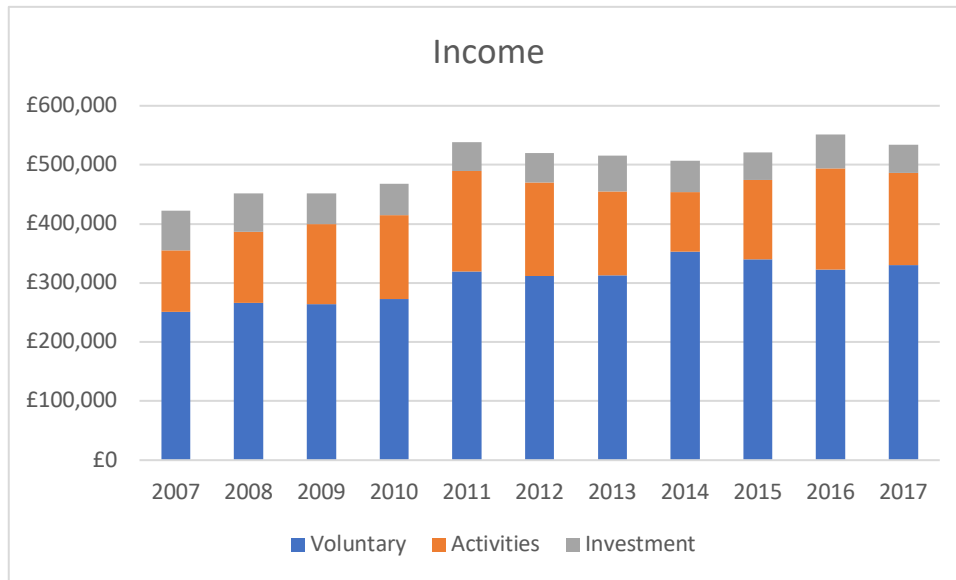
- 34 Although income increased in the 11-year period, it gently declined from 2011 to 2014 before recovering. Expenditure rose strongly until 2011 before it fell back in 2014.



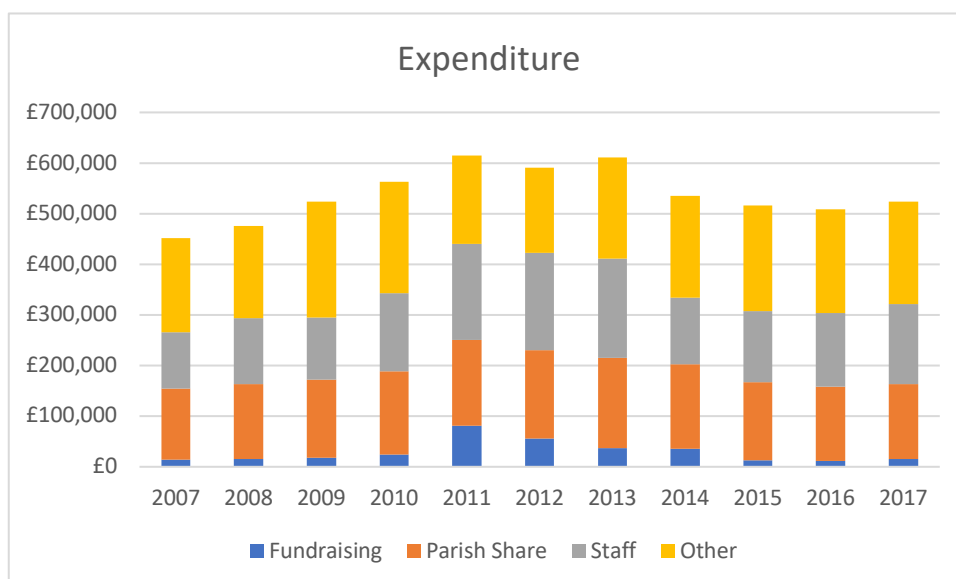
35 There are a couple of features in income to point to:

- Voluntary income has gently grown, and
- Investment income has decreased over the period from £67,000 to £48,000 as a result of the sale of a house on the Green and the Memorial Hall.

36 The Cathedral congregation continues to be generous, and there has been steady work on stewardship of the last few years, including the giving scheme, and Gift Aid.



37 Expenditure shows more aggressive growth in the early years. Parish Share rose every year until 2013 when a new scheme was introduced. This is a very significant proportion of expenditure (2017 – 28%). Staff cost grew from £111,000 in 2007 to £192,000 in 2012, and the number of staff in that period from 10 to 27, although many of them were part time staff. The number of staff processed through the payroll in 2017 was 10, exactly as in 2007. A number of music staff were made redundant in 2013 – this measure on its own cut staff cost by a third.



38 The Organ project has been dealt with consistently in restricted funds as a separate project, a requirement since the donors were giving specifically to that project. We examine the organ project in more detail in Appendix A.

39 We present a rough analysis of the movement in cash over the 11 years:

	£
Cash 1 January 2008	221,292
Deficits	-485,716
Surpluses	56,623
Sale of house	628,000
Sale of Memorial Hall	200,000
General funds used for Organ project	-353,889
Sale of investments	92,782
Other movements	<u>36,582</u>
Cash 31 December 2017	<u><u>395,674</u></u>

40 Deficits plus the contribution from general funds to the Organ Project amount to £839,000. This has been funded by realising assets, notably through the sale of a house. The sale of the Memorial Hall also improved the cash position. Investments were also sold and credited to the Organ fund. The sale of the properties and investments resulted in a decrease in investment income of about one-third.

41 There is nothing wrong in principle in using assets strategically. But the significant deficits and the sale of assets do not appear to have been part of a plan. There is no evidence that Chapter carefully considered plans for deficits or asset sales. This can only be described as extremely poor financial management, certainly well below the standard expected of a charity trustee. Since 2013, the Archdeacon of Llandaff's work, and that of the Dean and his team, have brought better financial management.

42 Despite the realisation of assets for these purposes, total general reserves have risen from £3.5m to £5.4m, as a result of the Organ's value in the accounts, and paper gains on property of almost £1m.

Current financial position

43 The Cathedral's ability to fund projects without further property sales is limited to its cash balance of around £300,000, as it now has no investments. The Friends of the Cathedral, according to their 2016 accounts, had investments and cash of £878,000, with a significant sum committed and spent in 2017 on Cathedral fabric projects.

44 The recurring financial balance position is an important achievement, and small surpluses are being generated. However, there is limited opportunity, based on current funds alone, for significant development projects. What continues to be important is the raising of regular income from the congregation and others.

45 There is considerable enthusiasm for more visitor, event and commercial income. Although these are the obvious candidates for regular additional income, we doubt that

visitor and commercial income can realistically provide significantly more, because of the Cathedral's location, outside the city with no provision for parking.

- 46 Further event income, perhaps from concerts including the use of the organ, appear to provide more hope. We concluded that the income to fund significant development will probably only come from appeals to grant-making bodies, corporate and individual donors. There is not the capacity within the current Cathedral staff to target these sources.

Risks – Fabric

- 47 Other than for Coventry Cathedral, Llandaff was the most extensively bombed in the Second World War. George Pace was appointed to restore the Cathedral in 1949 and, by and large, his work has stood the test of time.
- 48 We were very impressed with the report from the most recent Quinquennial Inspection, with the Architect's presentation to us, and his support for the Cathedral generally.
- 49 The report requires essential work of £1.5m up to 2025, plus £400,000 of desirable work. The review estimates the cost of refurbishing Prebendal House at £2-4m, and we believe that for the mission of the Cathedral, rather than for commercial gain, this work should be planned. Therefore £4-6m is required in the next 10 years. Fundraising capability is a priority – little can be done without it.
- 50 The Friends are committed currently to over £200,000 of expenditure on fabric. This appears to be a very good use of the Friends' resources.
- 51 In any Cathedral, there is a balance to be struck between reactive, planned and long-term maintenance. If planned maintenance is deferred for too long, reactive maintenance tends to increase and can be more expensive. Notwithstanding the shortage of funds, the Cathedral should have a plan for maintenance, based on its Quinquennial Inspection and on advice from the architect, against which it can raise funds as required.

Recommendations - Fabric

- 52 Fabric is central to the future strategy of the Cathedral because it maintains the building and provides for effective ministry. We recommend that:
- The Quinquennial Inspection is used as the basis for a fabric plan, including planned maintenance, and any other requirements;
 - Chapter under new governance arrangements should have an Estates Committee, chaired by someone with relevant experience, charged with overseeing the plan, and
 - The Committee should include a member of the Council of the Friends, a member of PCC, and advice from the architect as required.

Risks – People

- 53 The number of staff on the payroll is currently 10, exactly as in 2007, although staff numbers peaked at 27 in 2012. This is an exceedingly small team with which to run a Cathedral, particularly since there are only two full-time clergy, although there is currently also a curate.
- 54 The position of the Residentiary Canon in governance or in the day to day management of the Cathedral is unclear. Given the small scale of the ministerial team, we recommend that this is reviewed by the Bishop and the Dean.
- 55 The core management team is the Dean, the secretary, the accountant and the Head Virger, all of whose roles extend well beyond what would be expected in many other Cathedrals. This has advantages and disadvantages:
- relatively easy to get things done, if time is available;
 - relatively easy to coordinate activities in the team;
 - more difficult to establish meaningful management/staff relationships;
 - a tight-knit team which can appear exclusive to others;
 - very little spare capacity, if any, and potentially lacking in resilience, and
 - more difficult to differentiate between important and urgent tasks
- 56 Staff interviewed were generally happy with their roles and with working at the Cathedral. They seem to be working well together, and achieving a huge amount in limited time.
- 57 The Dean is the only senior member of staff, and we are concerned that there is simply not the capacity to take on more work, let alone maintain the current work. Chapter has already discussed appointing a CEO, but we are not clear how this role would fit with the Dean's role and those of other staff. What we would say is that the Dean will have to take on a more outward-facing role, as would a CEO, if the Cathedral is to flourish. This means that his roles in management and ministry would need to be reconsidered.
- 58 The Constitution requires there to be a Chapter Clerk, but there is no one in this role currently. Further support will be required to support Chapter and its committees as the strategy is developed and implemented.

Recommendation

- 59 We concluded that although the recruitment of a CEO would provide additional senior leadership and professional resource, it may not be quite the right answer. More generally, staff roles would need to be reviewed and job descriptions produced; this would be a good time to set objectives and start more formal appraisal and review. The Residentiary Canon's role in the team needs to be defined and some consideration should be given to how his time might be better used.

Risks – Reputational

- 60 As described in Appendix A, the organ project suffered the most from poor planning and initiation. The continuing questioning of the accounting for the project is without substance. The organ is one of the finest in the country and should now be a source of pride. Events featuring the organ would we think be popular.
- 61 The Cathedral has a long-standing relationship with the Cathedral School. The choristers are educated there, and the Cathedral leases the site to the school.
- 62 In 2013, the adult members of the choir were made redundant, for financial reasons, just before Christmas. This severely affected the quality and extent of the music in the Cathedral. In the last few years, the Friends of Cathedral Music have helped the Chapter to form a strategy for the reformation of the Cathedral's music and provided professional support for the recruitment of a new Director of Music. FCM have also committed financial support for future strategic development in the department.
- 63 The relationship with the School was difficult for a number of years, but The Director of Music and the Organist were of the view that the relationship is on much better terms now.
- 64 If the Cathedral can develop an ambitious strategy and reshape its activities, we expect there to be new good news stories which can be broadcast.
- 65 Internally, there are some who are struggling to come to terms with earlier issues with the Organ project and roles in the Cathedral. We hope that this report can be used to help to draw a line under some of these.

Appendix A – The Organ Project

66 Llandaff has one of the finest instruments in the UK. Although it might seem odd for a review in 2018 to be considering a project which completed in 2010, we thought it important to consider, not least because:

- it has had a significant effect on the finances of the Cathedral;
- there has been a stream of questions, reviews and comments about the project which have not been resolved to everyone's satisfaction, and
- it provides evidence of the effectiveness or otherwise of governance.

Overview of the project

67 The Cathedral suffered a lightning strike in 2006 which seriously damaged the organ. The Cathedral sought tenders from the three main UK organ builders to refurbish the instrument, and these were referred to at Chapter on 7 Nov 2006. The unanimous view of advisers was that Nicholson & Co. Limited should be appointed at an estimate of £1.2m. There is very little evidence of scrutiny of the tenders in the Chapter Acts. A draft contract was received from Nicholsons on the very same day.

68 It was reported at Chapter on 27 Feb 2007 that the contract had been signed. There is no evidence that Chapter saw the contract, or that legal advice had been sought on it.

69 It was reported at Chapter on 20 Nov 2007 that about £300,000 had been raised. As it happened, just after this confidence in the economy plummeted and the stock market fell significantly. With the benefit of hindsight, the contract was signed at a time of very high economic confidence but was to be delivered in recession when it would be more difficult to raise money.

70 The record of the Chapter meeting on 26 Feb 2008 suggests that some serious questions were raised. It was reported that the application for the Faculty required for the work to proceed had already been approved by Chapter and the PCC. The Faculty was subsequently granted by the Chancellor on 7 July 2008, at least 17 months after the contract with the organ builder had been signed.

71 There is little evidence that Chapter acted responsibly at the inception of the project. We concluded that the contract was signed far too early, because:

- only a quarter of the required funds had been secured, and because
- it was signed before the Faculty had been granted, putting the Chancellor, the Diocese and the Cathedral in a potentially very difficult position.

72 We concluded that these two facts alone were fatal flaws in the planning and execution of the project. From the point of signing the contract, the race was on to find the cash which would be required to pay the contractor over £60,000 each month from September 2008.

73 There have been a number of written complaints about aspects of the project, which can be summarised as:

- the Cathedral has improperly accounted for the project;
- there is a need for an independent audit of the project accounts, and
- the Cathedral congregation was told that the sale of a property was for the Organ Project.

74 We asked questions about these points and reviewed contemporary documentation.

Review of accounting

75 The latest advice on retention of documents by charities is that most records, including those for income, only need to be kept for 6 years, although invoices for capital works should be retained for 10 years.

76 Virtually all the records for the period 2007-2010 still exist, and we requested the accounts for the Organ project to be reconstructed. One document no longer exists – the extended trial balance for the accounts for each year. This would probably have been a spreadsheet which reconciles the accounting records to the audited accounts. There is no legal requirement for this to have been retained for so long, either by the Cathedral or the auditor. That having been said, the reconstruction gives confidence in the records supporting the audited accounts in each year to within 1% of the total cost of the project, a margin which auditors would generally regard as immaterial.

77 A summary of the income and expenditure for the project is as follows:

Organ project	
Income and expenditure account	
<i>Income</i>	£
Donations including Gift Aid	504,025
Fundraising activities	205,569
Giving by Direct Debit	71,676
Insurance claim	50,000
Weston Corporation	50,000
Friends of Llandaff Cathedral	55,000
Trusts	70,468
Interest	24,375
Other unidentified	9,828
	<hr/>
	1,040,941
Cathedral General Funds	353,889
	<hr/>
	<u>1,394,830</u>

<i>Expenditure</i>	£
Nicholsons contract payments	1,197,034
Nicholsons expenses	58,606
Capp and Budd electrical work	133,730
Architect	5,062
Other unidentified	398
	<hr/>
Fixed Asset in accounts	<u>1,394,830</u>

- 78 We checked through a sample of the records, and make the following comments:
- the record of gifts clearly identifies those intended for the organ, and the accounts clearly separate those from other donations;
 - donations on which Gift Aid is to be claimed are clearly identified, and the Gift Aid claimed has been correctly recorded in the project income, and
 - the audited accounts agree, subject to our comment above on the extended trial balance, to the Cathedral's paper records.
- 79 On the subject of the sale of the property, it was alleged that the congregation was told it was required to fund the organ project. Just to be clear about the transactions in the accounts:
- The sale proceeds of the property were credited to general fund as required;
 - The costs of the organ less income were accumulated in a separate restricted fund, presented correctly in the audited annual accounts;
 - On completion, a general fund fixed asset was established in the Cathedral's balance sheet, and
 - The balance in the separate fund was then transferred to the general fund.
- 80 The unfunded element of the project was offset against general reserves. We consider that the Cathedral correctly processed the transactions in accordance with accounting regulation.
- 81 In cash terms it would have been correct to say that the sale of the property would enable the organ project to be completed. Without it, another source of cash would have been required. It is also correct to say that the whole amount of the sales proceeds was applied not only to the organ expenditure – of the £628,000 proceeds, £354,000 was used for the organ project, and the balance remained in general reserves, without which the Cathedral would have run out of cash, given the deficits.

- 82 On the three summary points set out above, our conclusion is that:
- the evidence shows that the accounting for the organ project was entirely proper;
 - our statement of the project income and expenditure and the supporting records suggests that there is no need for any further work on them, and
 - our understanding is that the congregation was indeed told that the property sale was required for the organ project. On the one hand, at the time it was believed that this was entirely the case; on the other, the sale was required for the project to be completed.
- 83 The fact that the sale of the property was also required for the Cathedral to continue to meet its running costs seems not to have been discussed at Chapter or disclosed to the congregation. This points to imprudent financial planning, and a lack of transparency.
- 84 We concluded that the accounting for the project was in order and met the rules for accounting. The serious weakness in the project was that the contract was signed when only one quarter of the required funds had been raised, and without a faculty. This required the sale of one of the Cathedral's significant assets when it could have been avoided.
- 85 We recommend that Chapter should consider how it makes public the findings of our specific review of the Organ Project, in the interests of providing closure of this issue that has caused so much distraction and division.

Appendix B

Llandaff Cathedral Review – Terms of Reference

The Bishop and Chapter will jointly commission an independent review in order to:

1. Consider the strategic vision of the Cathedral and how it might be strengthened;
2. Examine the business model of the Cathedral and make recommendations about how it might be improved;
3. Explore the current systems which deliver the Cathedral's purpose and advise on whether they are fit for purpose;
4. Identify the financial, fabric, property and management controls and the major risks to which the Cathedral is, and has been, exposed and to make an assessment of their strengths and weaknesses;
5. Make a series of recommendations which will enable the Chapter to construct a strategic plan for change with greater clarity around impact and outcomes.

Appendix C – List of Interviewees

The Very Reverend Gerwyn Capon, Dean of Llandaff
The Venerable Peggy Jackson, Archdeacon of Llandaff
Alan Williams, Chapter Adviser
David Jones and David Lambert, Former Deputy Chapter Clerk
The Most Revd Barry Morgan, former Bishop of Llandaff
Rachel Davies, Cathedral Accountant
The Venerable Christopher Smith (Archdeacon of Morgannwg)
The Reverend Canon Steven Kirk
The Reverend Canons Stewart Lisk & Ruth Moverley
His Honour Judge Philip Price
Mr Stephen Moore, Director of Music & Mr David Thomas, Organist
Mr Izaak Hudson, Cathedral Architect
Mr Jonathan Hoad, Head Virger
The Reverend Canon Peter Cox
The Reverend Canons Philip Masson & Nigel Cahill
Mark Edwards, PCC
Mr Brian Robinson, Friends of Llandaff Cathedral
The Reverend Canon Edwin Counsell
The Reverend Canon Graham Holcombe
Harriet Morgan, Diocesan Registrar
The Reverend Canons Jenny Wigley & Mark Preece
Sir John Griffith-Williams, Former Diocesan Chancellor
Dr Sarah Morgan, Head Steward
Mrs Mary Madsen, Shop Manager
Mr Dylan Gwyer-Roberts & Mrs Katherine MacDonald, Churchwardens
The Reverend Canon Stephen Ryan
Mrs Kathryn Bates, former Head of City Primary School
Mr Gilbert Lloyd, Custos of Cathedral School
Mrs Clare Sherwood, Head of Cathedral School