

Diocese of St Albans

Report and Recommendations of a Governance Review Working Party

Introduction

In January 2024 Bishop's Staff formed a Working Party to review Governance arrangements in the Diocese. Following a process of meetings and consultation with various governance bodies, this Report is now offered to Diocesan Synod, Bishop's Council and the Diocesan Board of Finance (DBF).

Terms of Reference

- To review current structures and identify strengths and weaknesses
 - Consider potential risks of separation of strategic (ministry/mission) and financial matters
 - Consider the potential risks of separation of DBF function and episcopal leadership
 - Consider the potential for 'constitutional crises' if Bishop's Council (or Synod) determine actions which DBF oppose/refuse on financial grounds
 - Consider confusion between responsibilities of DBF members (as charity trustees) and BC members (who have been described as *quasi-trustees* – not a satisfactory or legal term).
 - Consider implications of election/appointment mechanisms for boards and committees
- To consider alternative structures
 - Consider effective size and composition of existing or new bodies
 - Consider means of peopling Board and Committees, including skills matching
 - Consider reducing duplication and cross-reporting
 - Consider the potential for reduced committee structures and number of meetings
 - Consider how engagement of Synod and Deaneries can be maintained
 - Consider how appearance (or reality) of concentration of power in a small number of key leaders can be mitigated
 - Consider the need for a full schedule of delegation with clarity over accountability and delegated responsibility
 - To make recommendations for changes if considered appropriate

Membership

Rt Revd Jane Mainwaring	Bishop of Hertford
Ven Charles Hudson	Archdeacon of St Albans
Dr Tim Coulson	DBF Chair
Rev Canon Will Gibbs	Chair of the House of Clergy
Jon Baldwin	Diocesan Registrar
David White	Diocesan Secretary
Emma Critchley	Deputy Diocesan Secretary

Background

Governance arrangements for the Diocese are substantially determined by Measures. Church of England measures are laws with the same force and effect as Acts of Parliament, but which relate to the administration and organisation of the Church. They are made by the General Synod and require Parliament's approval to come into force.

Further definitions of governance arrangements are made through Standing Orders adopted by Diocesan Synod and Constitutions approved by the Diocesan Board of Finance.

These Measures, Standing Orders and Constitutions determine the role and powers of the Boards and Committees of the Diocese. They also determine how these bodies are populated; typically through elections, appointments, nominations and co-options; and ex officio by virtue of roles held.

Matters to consider

In setting up the Governance Review members of Bishop's Staff felt it appropriate to review periodically the appropriateness of governance arrangements. Bishop's Staff felt that there were two particular questions to address in relation to existing arrangements for populating Boards and Committees:

- Firstly, whether these lead to membership offering the skill sets required for the most efficient and effective despatch of the business of those bodies.
- Secondly, whether these lead to a good representation of diversity across the diocese. (This is particularly relevant in relation to the target outcomes of the report From Lament To Action, but also in relation to diversity in other areas.)

Consultations

At Diocesan Synod on 9 March a presentation was made to introduce the Governance Review and Synod members were invited and encouraged to contribute views on governance arrangements to a specific email address created for this purpose.

At Bishop's Council on 8 April the Diocesan Secretary made a presentation about emerging proposals and answered questions. Council members met in small groups to consider the factors that should be of greatest importance in populating Boards and Committees.

At the General Committee on 23 April, to which an invitation to attend this specific item had been extended to all other members of the DBF who did not ordinarily attend the Committee, the Diocesan Secretary made a presentation about emerging proposals and answered questions. Committee members met in small groups to consider the factors that should be of greatest importance in populating Boards and Committees.

At all three meetings it was indicated that the working party's view was that if there are changes to recommend it would be best to take an incremental approach, potentially trialling initial adjustments before proceeding to further changes.

Consultation outcomes

Consultations in both Bishop's Council and DBF meetings were undertaken in groups, leading to negotiated scoring and probably some moderation. The averaged scores from consultations are shown below (the range of option were 5 (highly important) to 1 (of minimal importance)).

Proposition	BC	DBF	ALL
That individuals bring specialist knowledge and expertise in areas relevant to the Boards or Committees of which they are members.	4.4	4.8	4.6
That membership of Boards and Committees should have a broad balance of clergy and laity.	3.6	3.6	3.6

That individual members of Boards and Committees should be fully engaged in their parishes and deaneries.	4.2	2.8	3.5
That diversity in terms of gender should be prioritised in membership of Board and Committees.	4.2	2.8	3.5
That membership of Boards and Committees should be broadly balanced between archdeacons.	4.6	2.2	3.4
That diversity in terms of ethnicity should be prioritised in membership of Board and Committees.	3.8	2.6	3.1
That diversity in terms of disability should be prioritised in membership of Board and Committees.	3.4	2.4	2.9
That Boards and Committees should be democratically elected.	2.6	2.8	2.7
That diversity in terms of age should be prioritised in membership of Board and Committees.	3.0	2.0	2.5
That Boards and Committees should be composed to ensure balanced views on matter dividing the church.	3.0	1.6	2.3
That Boards and Committee members should be composed of people offering many years of experience in parish and diocesan matters.	2.8	1.8	2.3
That individuals represent their local deanery on the Boards or Committees of which they are members.	1.8	1.8	1.8
	3.4	2.6	3.0

The consultations results give a strong validation of the proposition that Boards and Committees should be populated on the basis of the skills offered by individuals. By comparison issues of diverse representation, including on grounds of ethnicity are not seen as being as important. It appears significant that diverse representation on all grounds was seen as more important by Bishop's Council members than by DBF members.

Written in comments included:

- Concern that there should be more lay representation and that ex officio clergy appointments are problematic in maintaining balance between clergy and laity.
- That diversity is important but not at the expense of relevant skills (mentioned several times, particularly in the DBF consultation).
- The need for timing of meetings to maximise accessibility for those with professional and family responsibilities.
- That there should be an explicit target for the proportion of women on each Board and Committee, and, additionally, the number of Chairs across the structure who are women.
- That Terms of Reference for all Boards and Committees should be reviewed.
- That there should be a communications plan around diocesan governance.
- The need for succession planning.
- That individuals should be able to serve for two-three terms.

A reasonable conclusion from the consultation is that whilst there is support for prioritising population of Boards and Committees on the basis of skills and expertise required, there is less support for diversity. It should be noted that the consultation has been held with bodies in which there is limited diversity. As a consequence, there remains a significant need for leadership and communication about the need for and benefits of diversity in governance involvement.

Working Party Proposals

In line with the incremental approach identified the Working Party has two initial steps to propose for implementation (in 2024).

1. Reconstitution of the DBF as a smaller body.
2. Formation of a Nominations Committee of Synod to advise the Diocesan Bishop on nominations, Boards and Committees on co-options and Diocesan Synod members on elections to Boards and Committees.

The Working Party believes that these two changes are fundamentally interrelated and should be introduced in combination.

DBF Reconstitution

There are significant constraints on the constitution of the DBF including the DBF's own Articles of Association (from 1916) and the Diocesan Boards of Finance Measure (1925). The current proposal is to reconstitute the DBF as indicated below:

Category of membership	Current	Proposed
Diocesan Bishop (ex officio, as President)	1	1
Clergy elected by the House of Clergy of Diocesan Synod	6	-
Clergy elected by the Houses of Clergy and Laity of Diocesan Synod	-	5
Laity elected by each Deanery Synod and who shall be Diocesan Synod members	20	-
Laity elected by the Houses of Clergy and Laity of Diocesan Synod	-	12
Nominated by the Bishop	6	5
Co-opted by the Board	3	-
Total (maximum number)	36	23

This proposal would substantially reduce the overall size of the DBF by removing the current election of one lay member for each deanery. Because all DBF members have a responsibility to act in the best interest of the DBF as charity trustees; it is not correct that individual members of the DBF elected by deaneries 'represent those deaneries'. To maintain the connection between the DBF and Deaneries it is suggested that feedback to deaneries should be provided through a combination of regular visiting to deanery synods by DBF members (most probably from within their archdeaconry) and video presentations that could be shown at deanery synods.

This proposal would maintain the principle of more lay appointed and elected members than clergy. It is consistent with the Diocesan Boards of Finance Measure in respect of requiring that two-thirds of members would need to be members of Diocesan Synod.

Through the involvement of the Nominations Committee, it is anticipated that the elected members of DBF will enable the body overall to have mix of skills identified for the better management of the DBF also and improved diversity.

Attached as Appendix A are draft changes to the DBF Articles of Association prepared by Jon Baldwin. The proposed changes to the Articles are unregulated changes. They need approval by members of the DBF (acting in a general meeting as members of the charity) but they do not need prior permission of the Charity Commission.

Nominations Committee

It is recommended that a Nominations Committee of Diocesan Synod is created to advise the Diocesan Bishop on nominations, Boards and Committees on co-options and Diocesan Synod members on elections to Boards and Committees.

It is proposed that composition of the Nominations Committee should be:

- The Diocesan Bishop (or delegated to one of the Suffragan Bishops)
- The Chair of the DBF (as Chair of the Committee)
- The Chair of the House of Clergy
- The Chair of the House of Laity
- One member of clergy elected by clergy and lay members of Diocesan Synod
- One member of laity elected by clergy and lay members of Diocesan Synod
- Up to two others co-opted by the Committee, provided that the Committee does not have more clergy than lay members

The ability of the Committee to co-opt up to two members is to allow that the Committee has, as far as possible, diverse membership.

The proposed Constitution of the Nominations Committee, including Terms of Reference, is attached as Appendix B.

A Nominations Committee can be created under the existing Diocesan Synod Standing Orders (SO109) requiring action by Bishop's Council. However, wide ownership of the introduction of a Nominations Committee is desirable. It is therefore proposed that it should be proposed with a formal motion at Diocesan Synod on 15 June. This has the operational advantage that elections to the Committee could follow immediately following Synod without waiting for Bishop's Council to meet on 15 July.

The Nominations Committee would advise the Diocesan Bishop on nominations and Boards and Committees on co-options. This task will be undertaken following triennial elections to Boards and Committees to address issues of skills matches and diversity.

The Nominations Committee would undertake a transparent public process leading to endorsement of (some) candidates for election to the DBF based on skills and diversity. It is expected that this would include promotion within the Diocese and public advertising to a role profile for DBF members. It is expected that the Nominations Committee would not endorse sufficient candidates to fill all elected places, therefore allowing individuals to stand for election, and by elected, without having to engage with the endorsement process run by the Committee. The Nominations Committee will undertake this public process in the period leading up to triennial elections.

Road Map to Implementation

A road map for changes and implementation is attached as Appendix C.

Further Restructuring

The incremental approach to be taken indicates that there might be further review and potential changes beyond 2024. This could include the bringing together of Bishop's Council and the DBF (and related changes). Whilst any decisions about such developments are for the future, the steps proposed in 2024 would be compatible with that direction.

It is possible that some minor amendments to Boards and Committees not regulated by Church Measures will be introduced later in 2024.

David White on behalf of the Governance Review Working Party
23 May 2024

Appendix A

THE ST. ALBANS DIOCESAN BOARD OF FINANCE (company number 00145227) (the “Company”)

At an Extraordinary General Meeting of the members of the Company, held at Holywell Lodge, 41 Holywell Hill, St Albans AL1 1HE at 1830 on Monday 8 July 2024, the following resolution was passed as a special resolution:

Special resolution

THAT with effect from the conclusion of the meeting the articles of association of the Company be amended as follows:

Articles 3 to 6 are deleted and replaced with the following new articles:

3. Membership of the Board

- (1) The following persons shall be members of the Board:
 - (a) the Bishop of St Albans;
 - (b) 17 persons elected by the Diocesan Synod of the Diocese, of whom five shall be clerks in Holy Orders and 12 shall be laypersons; (**Elected Members**); and
 - (c) up to five persons nominated by the Bishop of St Albans (**Nominated Members**).
- (2) At least two thirds of the Elected Members shall be members for the time being of the Diocesan Synod of the Diocese.
- (3) A majority of the members of the Board shall be laypersons.

4. Duration of membership

- (1) Elected Members shall serve as members of the Board for the period:
 - (a) commencing on the 1 January after the constitution of the Diocesan Synod electing those Elected Members; and
 - (b) ending on the 31 December after the constitution of the following Diocesan Synod.
- (2) Nominated Members shall serve as members of the Board for the period:
 - (a) commencing on the date set out in their nomination; and
 - (b) ending on the date that the Elected Members cease to serve;

or for such shorter term as may be set out in any terms of appointment issued by the Bishop of St Albans prior to a person's appointment as a Nominated Member.
- (3) The membership of a person nominated as a Nominated Member by virtue of an office held by that person Board is vacated automatically (without any requirement for resignation) upon that person ceasing to hold, or being suspended from the exercise of, that office.

- (4) A person's service as a Nominated Member shall cease on his or her appointment as an Elected Member.
- (5) A person may resign his or her membership of the Board by written notice to the Board (and, in the case of a Nominated Member, to the Bishop of St Albans).

5. Members to serve as directors

- (1) All members of the Board shall serve as directors of the Board.
- (2) A person's membership of the Board is vacated automatically (without any requirement for resignation) if that person:
 - (a) resigns his or her position as director of the Board;
 - (b) is removed as a director of the Board;
 - (c) is disqualified from serving as a director or charity trustee or is otherwise ineligible to serve as a director of the Board.

6. Nominations Committee

- (1) In this article, "**Nominations Committee**" means the committee of the Diocesan Synod of the Diocese constituted by that name.
- (2) The Bishop of St Albans shall have regard to any recommendations of the Nominations Committee before:
 - (a) appointing a person as a Nominated Member; or
 - (b) setting the terms of appointment of a person to be appointed as a Nominated Member.
- (3) The directors shall have regard to any recommendations of the Nominations Committee:
 - (a) before appointing a person as a member of any sub-committee of the Board; and
 - (b) when keeping under review the skills, knowledge and training needs of directors and committee members.

Article 12 is deleted and replaced with the following new article:

12. Directors of the Board

- (1) In these articles, "**the Council**" means the directors of the Board.
- (2) The Council shall be responsible for the management of the Board's business.

DIOCESAN NOMINATIONS COMMITTEE

Constituted by Resolution of Diocesan Synod as set out in its Minutes of 15 June 2024

Terms of Reference

The purpose of the Committee is to:

1. Advise the Diocesan Bishop on nominations to Boards and Committees.
2. Advise the Boards and Committees on co-options to their own bodies and sub-committees.
3. Advise the members of Synod on elections to Boards and Committees.
4. Consider and implement promotion and advertising of vacancies on Boards and Committees.
5. Invite expressions of interest for elected roles on Boards and Committees.
6. Recommend to members of Synod endorsed candidates for election.
7. Keep under review membership of Boards and Committees with a view to ensuring appropriate skills are in place to contribute to the work of the relevant Boards and Committees and noting the 'desirable principle' that committee members should stand for election no more than twice.
8. Keep under review membership of Boards and Committees with a view to ensuring diversity and breadth of representation from throughout the Diocese.
9. Liaise and cooperate with Diocesan Boards, Committees, senior staff and officers.
10. Review the operation of the nominations process and the function of the Committee on an annual basis.

Constitution

Ex-Officio

The Bishop of St Albans (or delegated to a Suffragan Bishop)
The Chair of the DBF
The Chair of the House of Laity
The Chair of the House of Clergy

Elected

Two members (one clergy one lay) elected by and from the members of Diocesan Synod

Co-opted

Up to two others, provided that overall the Committee should not have more clergy than lay members. Those co-opted do not need to be members of Diocesan Synod.

In Attendance

The Diocesan Secretary

The HR Business Partner

The Governance and HR Operations Manager

Chair

Normally chaired by the Chair of the DBF

Term of Office

Three years starting from 1 July prior to the conclusion of a Diocesan Triennium at the end of that month, in order that the Committee can be in place to advise on appointments for the new triennium.

Proceedings

1. The Committee to meet as required.
2. Meetings will be convened by the Chair. The agenda and any supporting papers to be circulated at least 7 days prior to the meeting.
3. A quorum for any meeting of the Committee to be three members.
4. A decision at any meeting of the Committee is to be taken by a majority vote of the members present at the meeting.

Accountable to

The Diocesan Synod, of which it is a sub-committee.