

July 2021

**Guidance for cathedrals:
Completing the Due Diligence
Questionnaire for the Charity
Commission
July 2021**

1. Overview

The Cathedrals Measure 2021 (the **2021 Measure**) requires all cathedrals to adopt new Constitution and Statutes. Not less than three months after the new Constitution and Statutes are adopted, Chapters will be brought within the regulatory jurisdiction of the Charity Commission and so will be required to apply for registration with the Charity Commission.

As the Charity Commission and the Church Commissioners will both regulate cathedrals under the 2021 Measure, the Charity Commission and the Church Commissioners have agreed on the process for cathedrals to implement the 2021 Measure in a Registration Protocol. This Protocol seeks to streamline the process for all involved, enabling the Church Commissioners to provide cathedrals with the support they need and facilitating the Charity Commission to undertake due diligence on each cathedral before it comes within their regulatory jurisdiction. A key part of this process is for cathedrals to undertake pre-registration due diligence with the Charity Commission at the same time as they prepare their new Constitution and Statutes.

The due diligence questionnaire sets out those questions which the Charity Commission would expect to ask each cathedral on receipt of a completed registration application form, in order to undertake its due diligence. These questions have been identified by the Charity Commission following its review of the information provided by four cathedrals during a pilot due diligence gathering exercise. However, as each cathedral is different, you should expect the Charity Commission to ask some further questions, or for some additional information, once it has reviewed your responses to the due diligence questionnaire, the draft application form and the accompanying documents.

As cathedrals go through the process to implement the 2021 Measure, the Charity Commission may update its due diligence questionnaire to include additional questions it finds it is routinely asking as follow-up questions or to remove or amend as appropriate. If this happens, the Charity Commission will notify the Church Commissioners and we will inform you and update this guidance to reflect the changes made.

2. FAQs: Completing the Due Diligence Questionnaire

A. What is the purpose of this guidance?

Although it is clear what some of the questions in the Due Diligence Questionnaire require by way of response, this guidance provides explanation and suggestions which you may find helpful to assist you to respond fully to some of the questions.

The Charity Commission has commented on this guidance and so the explanations provided reflect the Charity Commission's expectations as to how cathedrals should approach their response to specific questions in the questionnaire.

B. What steps should the cathedral have taken before it completes the Due Diligence Questionnaire?

Before embarking on the pre-registration due diligence process with the Charity Commission, your cathedral should have undertaken a comprehensive governance review and addressed

any shortcomings identified. As part of this governance review it is expected that the Chapter will have:

- (i) Adopted (or prepared in draft for when the new Constitution and Statutes come into force) any new or updated policy documents identified as required that follow the recommendations in Church Commissioners' guidance;
- (ii) identified and resolved any outstanding serious incidents or other concerns, whether safeguarding related or otherwise; and
- (iii) reviewed any restricted funds held by the cathedral¹ and rationalised those funds where appropriate.

C. What do I need to hand to complete the Questionnaire?

In order to respond to the questions in this questionnaire, you are likely to need to refer to the following policies and/or documents:

Policies

Policies provided to the Charity Commission to support your responses to the questionnaire should be in the form in which they will be in place once the new Constitution and Statutes are adopted. This may mean they are still in draft form for the Chapter to formally adopt when the new Constitution and Statutes come into force. Where this is the case, you should identify this clearly in your response and on the face of the draft policy.

- Conflict of Interests policy
- Complaints policy
- Whistleblowing policy
- Statements of Delegated Authority (SoDAs)
- Terms of References for committees
- Terms of Reference for the new Nominations Committee
- Investments policy
- Safeguarding policy
- Staff handbook/policies
- Volunteer handbook/policies

Documents

- Organisational structure chart and brief explanatory note of the cathedral's current structure (i.e. **before** the new Constitution and Statutes come into force).
- Organisational structure chart and brief explanatory note of the cathedral's new structure (i.e. **after** the new Constitution and Statutes come into force).
- Induction materials for new trustees.

¹ Refer to the Church Commissioners' Restricted Funds guidance.

July 2021

- Most recent SCIE independent safeguarding review.
- Any further safeguarding reviews, audits or inspection works from the last three years, linked actions plans and written evidence of remedies and improvements resulting from the reviews.
- Current safeguarding strategy or business/improvement plans (where this exists).
- Any accident or incident books/logs for recording serious incidents.
- Last five years of audited annual reports and accounts.
- Church Commissioners General Governance guidance.

If your cathedral has any other policies or documentation that supports answers you provide in response to the questionnaire, they should also be attached to your response as appropriate.

Charity Commission Guidance (for reference)

- Charity Commission guidance: [Commission's CC3- The Essential Trustee](#).
- Charity Commission guidance: [CC27- It's Your Decision](#).
- Charity Commission guidance: [How to report a serious incident in your charity - GOV.UK \(www.gov.uk\)](#)

D. How should we approach our responses?

Policy documents should be attached and referred to where relevant. Ensure that the specific part of a policy attached that addresses the question is referred to in your response.

E. How and when will we submit our responses to the Due Diligence Questionnaire?

You will start drafting your responses to the Due Diligence Questionnaire and the Charity Commission online registration application form once your cathedral has completed its governance review and starts the 2021 Measure implementation process. You will complete this questionnaire alongside preparing draft new Constitution and Statutes.

Once completed, you need to send your Questionnaire responses, the supporting documentation and the draft registration application form to the Charity Commission registration team reviewing the cathedral's due diligence at Mike.James@charitycommission.gov.uk, copying in the Church Commissioners at cathedrals.regulation@churchofengland.org.

F. What will happen after I have submitted our responses to the Charity Commission?

The Charity Commission will review all the responses and information provided and is likely to ask for further information. The Charity Commission may also require steps to be taken by the cathedral to address any concerns identified.

The Church Commissioners will liaise with the Charity Commission to confirm that the Charity Commission is content with your draft new Constitution and Statutes. Once the Charity

Commission is satisfied that the due diligence process is complete for your cathedral, it will inform the Church Commissioners in writing.

G. How do we then complete the process to become registered with the Charity Commission?

The Church Commissioners will provide the Chapter and Charity Commission with a certificate stating the date on which your new Constitution and Statutes documents come into force (Certificate Date 1). The Church Commissioners will also provide the Chapter and Charity Commission with a certificate stating the date on which the charity provisions of the 2021 Measure will come into force for your cathedral (Certificate Date 2), bringing your cathedral within the Charity Commission's regulatory jurisdiction. This will be at least 3 months after Certificate Date 1.

As soon as possible after Certificate Date 2, the Chapter must submit its formal registration application form to the Charity Commission online and provide a declaration that either:

- there have been no material changes to any of the information provided by the cathedral to the Charity Commission during the due diligence process since Certificate Date 1; or
- there have been substantive changes and provide details about these changes.

If there have been no material changes, it is expected that the Chapter will be registered by the Charity Commission within a couple of weeks of submitting the formal application.

It is anticipated that the entire process will take at least 10 months for each cathedral to complete. However, the length of the process will be different for each, cathedral depending on their individual circumstances and so some cathedrals may take considerably longer to complete the process.

3. Responding to the Due Diligence Questionnaire

Some of the questions in the due diligence questionnaire are self-explanatory and no guidance is needed on how to respond to them. However, we have provided guidance to support you in your responses to certain questions to assist you to provide the information the Charity Commission is looking for. It is hoped that this will reduce the number of follow up questions the Charity Commission will need to ask the cathedral.

Section 1: Organisation structure, accountability and decision making

Question: Please provide details of the organisation's structure and attach an organisational chart.

You will need to provide two organisational structure charts with any explanatory notes required illustrating:

- (i) the current governance structure of the cathedral (i.e. under its existing Constitution and Statutes); and
- (ii) the new governance structure of the cathedral once its new Constitution and Statutes come into effect following Certificate Date 1.

Question: Please provide details of:

- **the processes by which members of the Chapter other than ex officio members are appointed;**
- **the Chapter's approach to trustee recruitment, including how it ensures a suitable mix of skills and experience and if its constitutional rules allow for sufficiently diverse trustee recruitment;**
- **how the Chapter ensures new trustees have effective induction when they become trustees**

You will need to provide details of the steps your cathedral currently takes in relation to each of the above and explain how these steps will change under the 2021 Measure once the new Constitution and Statutes are in place. In particular, this will need to include:

- (i) the processes for appointing non-executive Chapter members to the new expanded Chapter, such as the Senior Non-Executive Member;
- (ii) any changes to the number of Chapter members elected and the process for electing them; and
- (iii) the setting up of the new Nominations Committee, and provide the draft Terms of Reference.

You should also explain your new Chapter member induction process and attach copies (or a list) of the core materials given to new Chapter members as part of their induction.

Question: Trustees have important legal duties as set out in the [Commission's CC3- The Essential Trustee](#).

They are also expected to ensure that they make decisions in accordance with the guidance provided in [CC27- It's Your Decision](#).

Considering the decision-making principles in CC27 including but not limited to:

- a) **acting within their powers**
- b) **acting in the best interests of the charity**

July 2021

- c) **managing conflicts of interest**
- d) **collective decision making**
- e) **acting with reasonable care and skill**
- f) **being sufficiently informed**
- g) **taking account only of relevant factors**

Please account for each of a-g above and explain how you are satisfied the trustees have sufficient procedures in place to cover each aspect of effective decision-making.

You should explain how your Chapter makes and records decisions as a Chapter, takes and considers professional advice and manages conflicts of interest and loyalty, reflecting the principles outlined above. If you have not already done so, attach and refer to the relevant provisions in the Chapter's Conflicts of Interest policy.

Question: Please describe the mechanisms that are in place if a serious (non-safeguarding) concern or allegation is raised about a trustee or office holder (including the Dean), including for example:

- **who has ultimate responsibility for dealing with the concern;**
- **whether they have the authority to suspend or remove the office holder pending investigation.**

Your response should include references to the Chapter's Complaints policy and Whistleblowing policy, which should be attached. You should highlight any sections which specifically refer to the reporting and processing of serious (non-safeguarding) concerns or allegations concerning trustees or office holders.

You should also explain how the CDM process can be used to address allegations of serious (non-safeguarding) misconduct by residentiary canons or the dean and the bishop's role in that process. This includes the bishop's power under s.36(1) of the Clergy Discipline Measure 2003 to suspend a priest from exercising or performing any right or duty of or incidental to the priest's office without the leave of the bishop:

- (a) if a formal complaint has been made to the bishop under the Clergy Discipline Measure 2003; or
- (b) If a priest is arrested on suspicion of committing a criminal offence.

Although the bishop's suspension of a dean or residentiary canon is from ecclesiastical office and not as a charity trustee, as a dean or residentiary canon is a member of Chapter and a charity trustee ex officio (i.e. by virtue of their office) they would, in fact, also be suspended from acting as a member of the Chapter and charity trustee during their suspension from ecclesiastical office by the bishop. This is because their charity trusteeship of the Chapter is a right or duty that is incidental to the office of the dean or residentiary canon.

You should note that under s.42 of the 2021 Measure the bishop will have the power to remove/suspend any residentiary canon or the dean from ecclesiastical office if they are removed/suspended as a trustee by the Charity Commission.

Question: Please provide details of any areas of decision-making where the trustees do not have full discretion or accountability, for example, where matters are delegated to employees or others through a schedule of delegation or similar.

Provide any Statements of Delegated Authority (SoDAs) where matters are/will be delegated to individuals (e.g. authorising certain levels of expenditure within the pre-agreed budget). Where any decisions have been delegated to Chapter committees, provide the Terms of Reference for those committees.

You should explain how the Chapter retains oversight for any delegated decisions and how decisions made are reported to the Chapter.

Question: What procedures does the Chapter have in place for identifying serious incidents (as referred to in the Commission's guidance – [How to report a serious incident in your charity – Gov.UK](#)) and reporting them to the Commission?

Explain how both safeguarding and non-safeguarding serious incidents are identified and logged (e.g. reported to CSA, logged in an accident or incident book) and when, how and by whom any relevant authorities and agencies are informed (e.g. the police, the DSA, the LADO, ICO or the H&SE).

Explain how the Chapter will report serious incidents to the Charity Commission once they are required to do so after Certificate Date 2. For safeguarding Serious Incidents this will be in accordance with the House of Bishops' Serious Incident Reporting Guidance for cathedrals (once available).

Question: Please give details of any internal procedures in place to facilitate the reporting of serious concerns within the Chapter by trustees, employees or volunteers, for example, whistleblowing policies and procedures.

You should refer to any internal procedures or policies which relate to the raising of serious concerns / internal grievances within the Chapter by trustees, employees and volunteers, such as the staff and volunteer handbooks or policies.

In addition, you should check your response dovetails with (and refers to relevant parts of) your response to the question about serious (non-safeguarding) concerns or allegations about trustees or office holders. You are likely to need to refer to the relevant sections of your Chapter's Whistleblowing policy.

Question: Please explain how the trustees manage or deal with issues of bullying, harassment or discrimination if they occur, which may impact on the trustees' decision-making process.

Refer to the relevant sections of any anti-bullying, anti-discrimination/harassment policies in your cathedral (which may form part of your staff and volunteer handbooks or policies) and attach them to your response. You should also refer to any relevant sections in your Complaints and Whistleblowing policies.

July 2021

Question: Please provide details of all legal entities which will be subsidiaries of the Chapter, and trusts of which the Chapter will be a trustee, at the point at which it applies for registration.

Provide details of any trading subsidiaries of the Chapter and of any trusts of which the Chapter is (and will still be) a trustee when it applies to register as a charity (i.e. on Certificate Date 2).

You may find it helpful to read the restricted fund guidance produced by the Church Commissioners.

Section 2: Financial sustainability

Question: Please provide a current assessment of the Chapter's ability to continue as a going concern.

Refer to the statement from the Chapter's auditors in your latest accounts on the ability of the Chapter to continue as a going concern.

Question: Please provide details of the Chapter's investment policy, including any policy on making 'ethical' or 'responsible' investments.

Provide a copy of the Chapter's investment policy and refer in your response to the parts of the policy relating to ethical or responsible investment.

You can note that the Chapter will not be able to make social investments using the power in section 292B of the Charities Act 2011 as the Cathedral's new Constitution will prevent it in accordance with section 5(8) of the Cathedrals Measure 2021.

Section 3: Safeguarding: general trustee oversight and assurance

Question: Please provide details of any other practical steps being taken by the Chapter to improve safeguarding arrangements, including:

how the trustees assure themselves that a positive, open and transparent culture is developed. For example:

- **What information about safeguarding arrangements and safeguarding work undertaken in each year is publicised or published by the Chapter, either online or through annual reports?**
- **To what extent do the trustees test confidence in the Chapter's safeguarding arrangements and culture of its workers (e.g. through staff surveys) or volunteers or stakeholders?**

Explain where updates on safeguarding arrangements are provided in material published by the Chapter, including the annual reports and accounts and on its website. Provide website links where appropriate.

You should also refer to any comments in the cathedral's SCIE audit on cathedral culture. If there are recommendations to improve the cathedral's safeguarding culture, explain what steps the Chapter has and is taking to improve cathedral culture and whether there is any evidence of these steps making a difference.

Explain any evaluations the Chapter conducts to monitor confidence amongst staff, volunteers or stakeholders on safeguarding arrangements, such as staff or volunteer surveys.

Section 4: Redress for victims / survivors of (historical) abuse

Responses to this section will need to reflect the arrangements in your cathedral, as well as those being set up in the wider church. As the Church of England's redress scheme is still under development, we have provided templatised text (in italics) on these issues which you should use and amend in your answers to these questions as required. In addition, guidance has also been provided on the bespoke information you will need to provide for your cathedral.

Question: Please provide details of any processes in place for assessing claims. Please include details of any financial or alternative forms of redress (such as written apology, emotional support and compensation).

In the first place, we would follow guidance approved by the House of Bishops as in force at the time (currently Practice Guidance: Responding to Safeguarding Concerns or Allegations that relate to Children, Young People and Vulnerable Adults).

You should explain any internal processes you have for assessing claims and the possible forms of redress available to victims/survivors of abuse. It is expected that this will include the referral of the claim to the cathedral's legal advisers.

Assuming that the cathedral is insured by Ecclesiastical:

We would expect that claims in relation to abuse would be insured under our public liability insurance. Having notified a claim to our insurers we would expect them to follow their published [guiding principles](#) for dealing with claims of sexual abuse, which make clear that the management of claims is for the insurer alone. We expect that our insurer would follow the empathetic process set out in those principles and would form a view whether the allegations meet the required civil standard.

We would also follow the insurer's guiding principles, which encourage policy holders to respond constructively from the outset (including before a civil claim is made). We also note that this approach would not prevent the offer of an apology and we would discuss the possibility of an apology with our professional advisers. We would consider providing or offering pastoral care, counselling and/or other forms of support to the victim and survivor if it would aid their well-being to be assessed case by case. We note that our insurer fully supports and encourages the continuance of pastoral care and/or other forms of support throughout the claims process.

If the cathedral has a Safeguarding Service Level Agreement with the Diocese:

We have a service level agreement with our diocesan safeguarding team and would bring any claim to their attention and would explore with them what support might be on offer from them or a third party organisation pending the resolution of the claim.

If provision of emotional or therapeutic support or redress is addressed in any cathedral policies, provide a copy of the policy and refer to the relevant sections in your answer. You should explain how any internal processes of the cathedral interact with the cathedral's insurance policies in relation to responding to claims and providing support and compensation to survivors.

July 2021

Depending on the nature of the claim, we would consider whether to signpost the victim/survivor to the Interim Support Scheme which is managed by the Archbishops' Council and which may be able to provide urgent support to current and non-current survivors of Church-related abuse where that person meets the scheme criteria.

Question: Please provide details of any contingency arrangements for financing such claims.

The development of a Church of England redress scheme is currently underway. The Church is developing national proposals for redress within the Church which are likely to include some financial compensation, support for rebuilding lives, emotional well-being support, and apology. It is anticipated that redress under the scheme may be available to victims and survivors of abuse which has occurred in cathedrals but the details of how the scheme may work remain under development.

NOTE: Whilst the redress scheme might provide some financial compensation it would not discharge or meet a cathedral's legal liability under a civil claim.

You should also provide details of any cathedrals specific contingency arrangements (if any) in your cathedral for financing such claims.