

9th December 2022

Update on establishing a company to host the Joint Inspection Team

Purpose

1. To consider and propose and agree some key principles and aspects of operation to inform the Articles of Association for the company to be established by the WLGA to host a Joint Inspection team.

Background

2. Members have previously agreed to the WLGA hosting a Joint Inspection Team (JIT) on behalf of Welsh Government and to establish a company limited by guarantee to do so. At the Executive Board meeting held on 30th September restated support for this work and agreed the outline of a workshop to be held for leaders to consider and agree aspects of establishing a company for further consideration and agreement by leaders.
3. The workshop was held on Monday 7th November, with the agenda covering confirming the purpose of the JIT alongside the benefits and legacy intentions and reviewing the risks and mitigations and arrangements that address the liabilities and identified risks. Company requirements and relationships between the different parties including responsibilities and reserved matters were also considered.



JIT workshop
Monday 7 Nov.pdf

4. While there were limited numbers of leaders able to attend, there were a number of principles and steers provided by those present, including the WLGA Spokesperson for Housing. The key message was the keep the establishment of the company, including how it operates, as simple as possible while ensuring it operates effectively and efficiently. Reference was made to the way in which Data Cymru operates and how the company operates, including its link to nominations to the board through the WLGA, and it was felt this may be an appropriate template for the operation of a company to host the JIT.

Developing the Articles of Association

5. In establishing a company limited by guarantee, Articles of Association form a document that specifies the regulations for a company's operations and defines the company's purpose. The document lays out how tasks are to be

accomplished within the organisation, including the process for appointing directors and the handling of financial records. The content and terms of the "articles" may vary, but typically include provisions on the company name, its purpose, the share structure, the company's organisation, and provisions concerning shareholder meetings.

6. Articles of Association are a legal document and will need to be drafted by lawyers however there are a range of issues to be agreed in advance so they can be reflected in the Articles. Identified below are some of these issues where the steer of members is required to help inform lawyers as to the wishes of members in how the company is established and operates:

A) Company name: it is proposed that the company name would be Joint Inspection Team for Building Safety (Wales) [unless anyone else can think of something better?]

B) Agreeing the Objects: It is proposed that the Objects of the company are specified as:

- Making buildings safer, providing support for inspections taking place to identify where actions need to be taken, focusing on over 18m high residential buildings and consider other risk factors raised by the local authorities and fire and rescue services for lower rise buildings
- Helping people feel safer, supporting people living in high-rise buildings to feel safe through raising awareness of partnership work with building owners / responsible owners, local authorities and fire and rescue services
- Working in partnership, with local authorities, fire and rescue services and other public / third sector organisations to deliver improvements to approaches and schemes regarding building safety
- To conduct other projects and schemes that support increased building safety in Wales.

C) Members of the company: at the workshop members felt the number of members of the company should be limited, not bureaucratic nor overburdensome in terms of facilitation support required and proposed regional representation as one way of ensuing all Wales coverage but without requiring representation from all 22 councils. There are a few options that could be considered to reflect regional representation:

- a representative from each Corporate Joint Committee (4)
- using the health board regions (6 or 7 if Powys remain as a 'region')
- using the fire and rescue footprint (3)

7. It is also proposed that the relevant WLGA Spokespersons for Housing and for Fire and Rescue should be invited to be members and one of the posts could chair the Board, if acceptable to members. It is also proposed that a representative is sought from the 3 Fire and Rescue Authorities as a standing member of the Board. It is proposed that nominations for members of the company will be sought from the regions/Regional footprint as agreed and formally agreed via a political meeting of the WLGA.

8. *Members are asked to comment on the above options and identify a preference for the numbers to make up the Board (and also if there is agreement to the 3 proposed standing members)*

D) Company set up: based on feedback from the workshop, it is proposed that the operation of the company will need to be agile in approach (it is being set up for 2 years initially) so there will be a need to progress quickly with swift decision making. To enable this, it is proposed that:

- There would be clear delegations and delegated authority to employees of the company as appropriate
- The company will work within the existing governance of WLGA as appropriate, including communication updates via current structures
- Members and Directors of the company will be the same representatives.

E) Potential split in roles and responsibilities: it is proposed that the following split in roles/duties and responsibilities of the Board and the company officers would be reflected in the Articles as follows:

AGM:

- To receive annual report on progress and development, including financial update

9. *It is proposed that the Board would meet every 4 months (with one being the AGM). Board members will be appointed and agreed each year at the WLGA AGM (or via an appropriate WLGA decision-making structure in the first instance). In summary, the proposed role of the Board will be to (not exclusively):*

- Agree overall budget and delegate spend
- Agree staffing complement
- Agree annual plan with KPIs and overall expenditure
- Receive overview of activity including inspection list and training programme
- Agree annual report to AGM
- Dismissal of employees
- Agree media plan
- Review and maintain risk register

10. *The company will employ officers to undertake the work of the JIT, the Head of the JIT is employed by the WLGA. It is proposed the role of the JIT staff team, undertaken on behalf of the Board will be to (not exclusively):*

- Budget management and all spend according to the basic tenets of managing public money and financial regulations appropriate to the legal status of the organisation
- Commission and tender contracts up to a value of £160,000 according public procurement law and to contract quotation rules appropriate to the legal status of the organisation
- Produce inspection templates
- Sign agreement with LA and FRS

- Prepare an inspection programme (through discussions with LAs and FRS)
- Manage the steering group/stakeholder engagement
- Conduct media interviews in agreement with the Chairperson
- Report to Welsh Government and ensure meet grant conditions / submit funding applications.

11. It is suggested that the Board will want to appoint an Executive Director who will be responsible to the Board for the execution of the Board's policies and for the conduct of the business and it is proposed that the Executive Director should be agreed as being the Head of the JIT. The Executive Director is usually a non-voting role. Company law also requires the Company to have a nominated secretariat and it is proposed that this would be a WLGA employee at the appropriate grade.
12. As far as is practicable and appropriate, it is proposed that the Articles of Association to be developed for this new company which will set out the structure and procedures of how the company is established and operates, for example, how meetings run, voting rights and other aspects such as the appointment and disqualification of members will, in the main, replicate the way in which Data Cymru operates, subject to the agreement of members.
13. At the workshop, members also highlighted the need to secure financial commitment and agreement of the budget for the JIT and supporting the company with Welsh Government in taking this work forward as an important next step, supporting the aim to have the JIT established and operational from the beginning of April 2023.

Recommendations

14. Members are asked to:
 - a) Note and comment on the contents of this report
 - b) Comment on, propose alternatives and/or support proposals as set out in paras A-E above to help inform the drafting of Articles of Association for the company to host the JIT
 - c) Identify any further areas where members would like any further information to ensure members are able to make fully informed decisions about the company and the draft Articles of Association at the next appropriate meeting.

Report cleared by Cllr Andrea Lewis, WLGA Spokesperson for Housing

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