

A separate report is submitted in the private part of the agenda in respect of this item, as it contains details of financial information required to be kept private in accordance with Schedule 12A of the Local Government Act 1972. The grounds for privacy are that it contains information relating to the financial and business affairs of any particular person (including the authority holding that information). The public interest in maintaining the exemption under Schedule 12A outweighs the public interest in disclosing the information.

Cabinet

4 November 2025

Name of Cabinet Member:

Cabinet Member for Children and Young People – Councillor P Seaman

Director approving submission of the report:

Director of Children's & Education Services

Ward(s) affected:

All

Title:

West Midlands Safe Centre

Is this a key decision?

Yes - the proposals are likely to have a significant impact on residents or businesses in two or more electoral wards in the City.

Executive summary:

Secure children's homes care for some of the most vulnerable young people in society with the most complex needs. They are safe settings for children whose liberty is legally restricted, where they can be supported through trauma aware and psychologically informed integrated care, health and educational services.

Children are admitted to secure children's homes through one of two pathways: those subject to criminal proceedings for their offending behaviour, but who are usually managed within the youth justice secure estate; and those subject to public law welfare proceedings who are deemed to pose a significant risk to themselves and or others. The facility being planned here is for the latter, welfare cases only.

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Children placed in secure children’s homes are likely to have experienced a number of placements that have broken down, missed a lot of education, have unmet emotional and physical health needs and have suffered a great deal of trauma in their lives.

There is a national shortage of secure placements for these vulnerable children. The West Midlands currently has no dedicated regional provision creating pressure on the existing secure estate.

This report sets out the progress made so far and seeks Cabinet approval to move forward with Coventry City Council being a party to the delivery of the West Midlands Safe Centre project (West Midlands Safe Centre). Further details are set out in the corresponding private element of this report.

Recommendations:

Cabinet is recommended (subject to the completion of all necessary due diligence work and following consideration of the additional confidential information contained in the corresponding private report,) to:

- (1) Endorse the development of the West Midlands Safe Centre as set out in the business case that has been submitted to the Department for Education (DfE) and appended at Appendix 1 of the corresponding private report.
- (2) Endorse the proposed legal formation of a Special Purpose Vehicle (SPV) as set out in this report.
- (3) Approve the arrangements for Coventry City Council to join the SPV and be part of a formal partnership for governance of the West Midlands Safe Centre with other West Midlands local authorities.
- (4) Agree that further Cabinet approval would be required for Coventry City Council to continue to participate in the Partnership Agreement at a revised risk / reward share if insufficient local authority members sign up and the share tolerance as set out in the corresponding private report was exceeded.
- (5) Approve in principle the proposed procurement and property arrangements for the operation of the West Midlands Safe Centre.
- (6) Delegate authority to the Director of Children’s and Education Services, following consultation with the Director of Finance and Resources and the Director of Law & Governance, to undertake the following:
 - a) complete the necessary due diligence required including but not limited to legal and tax due diligence arrangements; and
 - b) thereafter to complete all necessary documents to give effect to the above recommendations. The delegation shall also include the power to do anything necessary, incidental or ancillary for the carrying into effect the recommendations set out in this report.

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List of Appendices included:

None

Note: The following appendices are attached in the corresponding private element of this report:

Appendix 1: West Midlands Safe Centre Business Case

Appendix 2: Initial design for West Midlands Safe Centre

Appendix 3: Draft Heads of Terms for SPV

Appendix 4: Clawback Impact per LA Proportional Share

Appendix 5: Regional demand/cost position and 10-year financial model

Background papers:

None

Other useful documents

Planning Statement submitted on 2 June 2025:

<http://eplanning.idox.birmingham.gov.uk/publisher/mvc/listDocuments?identifier=Planning&reference=2025/03137/PA>

Has it or will it be considered by Scrutiny?

No

Has it or will it be considered by any other Council Committee, Advisory Panel or other body?

No

Will this report go to Council?

No

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Report Title: West Midlands Safe Centre

1. Context (or background)

- 1.1. Secure children's homes are safe settings for children whose liberty is restricted, where they can be supported through trauma aware and psychologically informed integrated care, health and educational services.
- 1.2. There is a national shortage of secure placements for these vulnerable children, as highlighted by Ofsted, with 50 children waiting for a secure welfare placement on any given day. A total of 2 Coventry City Council children were placed in secure welfare during the period 2019 – 2025 with a number of other children in unregulated provision due to lack of availability of secure welfare.
- 1.3. The West Midlands currently has no dedicated regional provision, creating pressure on the existing secure estate. Detailed research shows there is a clear need to create more secure children's home provision for the West Midlands. Further details of the need for regional secure welfare provision for children in the West Midlands is set out in the private element of this report.
- 1.4. Children placed in secure children's homes have their liberty restricted by court order under section 25 of the Children Act. The threshold for this is only met when children are assessed to be of significant risk to themselves or others.
- 1.5. In recognition of the national shortage of secure beds the DfE opened up bids to LA's in 2019 to provide funding to develop this resource across the country. The West Midlands currently has no dedicated regional provision, and fourteen (14) Local Authorities came together to enter a bid to develop a West Midlands resource formally called "The Safe Centre".
- 1.6. The proposed West Midlands Safe Centre will be the first regionally owned secure children's home in the country, providing 20 secure welfare beds and high-quality care, health and education to local children. Coventry Council, along with the other represented LA's have been working to a partnership in principle to develop the West Midlands Safe Centre, this regional secure children's home.
- 1.7. The risks involved in running and investing in the West Midlands Safe Centre were deemed too great for any one local authority to bear individually. Subject to approval through each local authority's governance processes and the proposed Partnership Agreement, a separate legal entity in the form of a Special Purpose Vehicle (SPV) will be created for the West Midlands Safe Centre to operate and manage the secure welfare provision on behalf of the 14 local authorities/Children's Trusts.

Benefits

- 1.8. The key benefits of the West Midlands Safe Centre project are set out in the private element of this report, and include:

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- Ensuring the most vulnerable children are able to access secure care within the West Midlands and reducing delays in this care being available when they need it
- Significant investment in the West Midlands region, including a range of job opportunities
- Reduced risks of high-cost unregulated provision
- Reduce significant oncosts linked to travel and professionals' time
- Support families to engage in reunification and maintain relationships through family time
- Enable a planned transition back to Coventry through 'mobility' and ongoing outreach support once the child has moved on.

Design and Build

- 1.9. As this is a DfE funded project, a number of gateways have had to be completed.
- 1.10. This design work informed the planning application that was submitted in June 2025. More information about the design is set out in the private element of this report.

Project Governance

- 1.11. Structured governance arrangements are currently in place including a project board. Four Directors of Children's Services represent the region on the project board and report back to all 14 local authorities via the West Midlands Directors of Children's Services Network (WMADCS).
- 1.12. Regular meetings take place with the DfE on all aspects of the project, including focused sessions on the Design and Build workstream to monitor and challenge progress; financial meetings relating to grant spend and budget forecasting; programme review meetings and regular keeping in touch meetings between the Project SRO (Senior Responsible Officer) and DfE Capital Team SRO. In addition, monthly progress reports with risk and issue logs are submitted to the DfE along with a vast range of gateway reporting documents at each stage. The Director for Children's and Education Services and the Cabinet Member for Children and Young People are regularly briefed on the project and updated on meetings that have taken place with DfE.
- 1.13. Further details on the project governance arrangements and how it operates are contained within the business case attached at Appendix 1 of the private element of this report.

Corporate and Financial Governance

- 1.14. The West Midlands Safe Centre Project Board and the Directors of Children's Services (WMADCS) group confirmed their preferred SPV criteria as follows:
- Equal ownership in SPV including voting rights and reserved matters.
 - Ability to implement the agreed percentage risk and reward methodology.

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- The ability to commission a service delivery provider.
- Ideally the ability to explore future opportunities to be delivered by the SPV.

1.15. Following a legal options appraisal, a shortlist of options for the SPV was considered:

- Limited Liability Partnership (LLP)
- Company Limited by Guarantee (CLG)
- Charitable company

Operation of the SPV

1.16. The proposed SPV will be responsible for coordinating and managing the requirements of the member local authorities for secure welfare placements ensuring that these are met through the availability and use of the West Midlands Safe Centre. To this end the SPV will commission a service provider for the West Midlands Safe Centre.

1.17. The member local authorities will equally own a share of the SPV and operate the SPV, under terms that will be set out in a Partnership Agreement between the Members.

1.18. The SPV will be established with a two-tier management structure which will include all member local authorities and a delegated Management Board. Certain key strategic and constitutional decisions will be reserved for all member local authorities.

1.19. The SPV will trigger additional financial reporting and audit obligations for each of the member local authorities, including reporting on the performance of the West Midlands Safe Centre through each local authority's existing governance arrangements.

1.20. In addition, the SPV will need its own resources to undertake its day-to-day management and legal obligations. This will include procurement and contract management resource, financial compliance; corporate legal; insurance and Board Management support. The costs of these will be built into the model and will not require any additional investment from the member local authorities.

1.21. A working group has been assembled with finance and legal representatives from all 14 local authorities to work with the project leads on the draft heads of terms and any other associated documents necessary to establish the SPV.

1.22. The current proposed risk / reward share is based on each member local authority/Children's Trust's number of children in care (aged over 10 years and excluding unaccompanied asylum-seeking children). Coventry City Council's proposed share is set out in the private element of this report.

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- 1.23. If insufficient local authorities/Trusts sign up to the Partnership Agreement and the share tolerance is likely to exceed the percentage share set out in the private element of this report, Cabinet approval would be required for Coventry City Council's continued participation.
- 1.24. A summary of the governance proposals and the draft Heads of Terms are set out in the private element of this report. These will be converted into the Partnership Agreement and will be legally binding.

Property Arrangements

- 1.25. The Kingsmere Centre in Gravelly Hill, Birmingham, has been identified as the preferred site for the West Midlands Safe Centre. Kingsmere was previously the site of a children's home and most recently was the base for Birmingham's Youth Justice Service.
- 1.26. Responsibility for the full repairs and maintenance will sit with the service delivery provider with the cost charged to the SPV. Provision has been made for a capital maintenance reserve in the financial modelling of the SPV for cyclical replacement of furniture, fittings and equipment.

West Midlands Safe Centre Service Delivery Contract

- 1.27. A Preliminary Market Engagement Notice was issued in June 2025 via 'Find A Tender Service' under the Procurement Act 2023. Suppliers from the West Midlands Regional Placements framework were informed of this notice to increase responses. The purpose was to gain an understanding of the capacity and capability of the market to deliver this service which will inform the procurement strategy.
- 1.28. Further details on the procurement route are set out in the private element of this report.

2. Options considered and recommended proposal

- 2.1. The options considered include the following:

- Do nothing (Not Recommended)

This would not resolve the shortage of secure welfare care for the most vulnerable children in the West Midlands. Local authorities would continue to have to place vulnerable children at a significant distance from their local areas, away from their families and other networks. This option is therefore not recommended.

- Proceed with the project and establish a structured SPV as a Company Limited by Guarantee (CLG) (Not Recommended)

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This option is not recommended as it is not considered beneficial at the writing of this report but may need to be revisited and if so, will be reported to the West Midlands Safe Centre Project Board for consideration.

- Endorse the recommendations set out in this report (Recommended)

The recommended option is for Coventry City Council to join the SPV and be part of a formal partnership for governance of the West Midlands Safe Centre with other West Midlands local authorities.

The proposed SPV will be incorporated as a Limited Liability Partnership (LLP) underpinned by a Partnership Agreement. The purpose of the LLP will be to discharge the local authorities' and the Children's Trusts' sufficiency duty, delivering public services and managing public assets around secure welfare provision for vulnerable children within the West Midlands.

3. Results of consultation undertaken

- 3.1. When the Kingsmere site in Birmingham was identified as the preferred location for the West Midlands Safe Centre, the project team undertook assessments to establish the viability of using the existing buildings as part of the future provision. Due to the stringent security and welfare requirements, the existing building could not be re-used or incorporated into the scheme and achieve the site function. Following this assessment a Heritage Assessment was undertaken on the site which deemed none of the buildings to be architecturally distinguished.
- 3.2. At the pre-notification stage an application was submitted to list the building. The process was delayed for six months while the listing application was considered. Historic England supported the recommendation not to list the building.
- 3.3. Pre-planning consultation took place in March and April 2025 to consult on the design elements of the West Midlands Safe Centre that are included in the planning application and give neighbours the opportunity to ask questions and raise any concerns they may have.
- 3.4. At the pre-planning stage information was shared with a range of stakeholders and partners including councillors, an MP for Birmingham, the Mayor of the West Midlands, senior officers in Birmingham City Council and the other 13 local authorities and the Police, Fire and Health.
- 3.5. The planning statement submitted with the planning application on 2 June 2025 is available on Birmingham Council's Planning Portal and includes full details of the pre-application stage, feedback received and management action taken.

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4. Timetable for implementing this decision

Governance Milestones

- 4.1. Cabinet approvals are being sought across the region between September and November 2025. The main contract will be signed in May 2026, with the facility expecting to become operational from Autumn 2028.

Project Milestones

- 4.2. The following key milestones need to be met within this current DfE Grant period (April 2025 – April 2026) for RIBA Stage 4. Plans are in place for these to take place within the timeframes stated below:

- Planning Application Submitted (June 2025)
- Cabinet Approvals (September - November 2025). The West Midlands Directors of Children's Services network will take reports to their Cabinets by November 2025.
- Final Technical Design Completed (December 2025). This will include design of:
 - Healthcare / Education/ Care / Admin & Staff Areas / Support Services (Catering, Laundry, Facilities Management)
 - Interior Design & Room Layouts
 - Landscape Design & External Spaces
 - Security & IT
- DfE Clawback Contract for the main works – to be signed by May 2026.

Legal due diligence and discussions are still ongoing on the early principles of the proposed draft Heads of Terms which the DfE has agreed to issue early to ensure negotiations and full consultation can take place given the more complex nature of a regional arrangement.

5. Comments from Director of Finance and Resources and Director of Law and Governance

Financial Implications

- 5.1. All financial information relating to these recommendations can be found in the corresponding private report.

Legal Implications

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- 5.2. The Council has a statutory duty (Children Act 1989) to ensure sufficient placements in their area, including secure accommodation for children they look after. The West Midlands Safe Centre will address the significant gap in sufficiency of secure welfare placements in the West Midlands region.
- 5.3. In order to establish a secure children's home, several legal and regulatory frameworks must be followed: These include (but not limited to):
- Section 1 of the Localism Act 2011: gives local authorities relatively broad powers to do anything that individuals may generally do, including to establish legal entities such as a Special Purpose Vehicle for the purposes of supporting with the discharge of their statutory functions.
 - Children Act 1989: which provides the legal basis for placing children in secure accommodation. Coventry City Council will be responsible for arranging the most appropriate provision for children who may be eligible to enter or who may subsequently leave the West Midlands Safe Centre, in accordance with local authorities' sufficiency duty.
 - Care Standards Act 2000: defines what constitutes a children's home and mandates registration with Ofsted
 - Children's Homes (England) Regulations 2015: which sets out the operational standards, including staffing, safeguarding and quality of care. Secure homes must meet additional standards due to the restrictions on liberty.
 - Approval by the Secretary of State must be formally given (through the DfE) to operate secure settings. This includes demonstrating the ability to safely restrict liberty and provide therapeutic care.
- 5.4. The participation in and use of SPV's by local authorities for collaborative working between multiple parties is relatively complex, both in terms of initial work to establish optimum and compliant operating models.
- 5.5. Appropriate delegations have been sought in this report which also require consultation with the Director of Finance and Resources and the Director of Law & Governance thus ensuring that there is compliance, accountability and strategic oversight at senior officer levels.

6. Other implications

6.1. How will this contribute to the One Coventry Plan?

6.2. The three delivery priorities will be achieved through the following:

- **Improving outcomes and tackling inequalities within our communities;** Children who are in need of secure welfare care, will be able to access this locally and have access to onsite education and therapeutic support. Families

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will be supported to maintain relationships through regular visits, previously due to distance, this created challenges.

- **Improving the economic prosperity of the city and regions;** The WMSC will create jobs within the construction phase and offer ongoing employment opportunities.
- **Tackling the causes and consequences of climate change:** there will be a significant reduction in travel and a reduction in the emissions linked to this. Please refer to 6.6.

The two enabling priorities will be achieved through the following:

- **Continued financial sustainability of the Council;** As a partner within the SPV, preferential weekly fees are agreed. Costs associated with travel and professionals time, will be reduced. Children will have access to the right support and care at the right time, enabling improved outcomes and less reliance on additional services & resources.
- **Council's role as a partner, enabler and leader:** Coventry City Council will continue to collaborate and work in partnership with other local authorities across the West Midlands, to improve outcomes for children, young people and their families. The WMSC will be the first secure home in the county, run collaboratively and in partnership by a collection of local authorities. Officers from the Council have been active members of the development and design of the home and the practice and operating model workstreams.

6.3. How is risk being managed?

The West Midlands Safe Centre Operating Model Business Case sets out the risk assessment and mitigation for the West Midlands Safe Centre project, including the project's risk register.

Three risks have been assessed as the most significant with opening a brand-new secure welfare provision:

- Workforce resilience and capacity
- Demand complexity and matching
- Suspension / amendment of Ofsted registration

6.4. What is the impact on the organisation?

6.4.1 Corporate Parenting - All local authorities have Corporate Parenting responsibilities for children in care and care leavers.

6.4.2 Our Corporate parenting responsibility will continue for those children placed by us, in the West Midlands Safe Centre.

6.4.3 This provision will form part of Coventry City Council's sufficiency duty and will ensure the most vulnerable children from Coventry, who are in need of a secure

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welfare provision, are able to access this closer to home, maintaining their links with family and their wider networks.

- 6.4.4 The secure home will provide education and therapeutic support to children and enable them to transition from this home, back to Coventry (when appropriate) with ongoing outreach support.

6.5 Equalities / EIA?

6.5.1 Public authority decision makers are under a duty to have due regard to:

- a) the need to eliminate discrimination,
- b) advance equality of opportunity between people who share a protected characteristic and those who do not, and
- c) foster good relations between persons who share a relevant protected characteristic and people who do not (public sector equality duty - s 149(1) Equality Act 2010). The applicable protected characteristics are disability, gender reassignment; race, religion or belief, sex; sexual orientation, pregnancy or maternity.

6.5.2 Decision makers must be consciously thinking about these three aims as part of their decision-making process with rigour and with an open mind. The duty is to have “due regard”, not to achieve a result but to have due regard to the need to achieve these goals. Consideration being given to the potential adverse impacts and the measures needed to minimise any discriminatory effects.

6.5.3 There are no equality implications linked to the recommendations being proposed for approval by Cabinet. This is on the basis that the provision of the West Midlands Safe Centre is to provide capacity within the region which will be used to discharge statutory duty and made available to all those young persons who meet the threshold criteria.

6.6 Implications for (or impact on) climate change and the environment?

Details of the plans for the site were set out in the planning application. This included an assessment of options considered for reducing CO2 emissions through energy efficiency measures, the efficient supply of heat and the use of on-site renewable energy technologies, having regard to the characteristics of the site and the local environment. On 28 May 2025, following an Environmental Impact Assessment (EIA) Screening Request, Birmingham City Council's Planning department advised that the proposed development would not require an EIA under the Town and Country Planning (Environmental Impact Assessment) Regulations 2017. A local secure provision for the West Midlands will reduce travel for children as well as families and professionals visiting them.

6.7 Implications for partner organisations?

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The Council will be working with other local authorities to implement the recommendations set out in this report. Depending on the number of local authorities who participate in the project, there could be implications to the risk / reward shares (including the City Council). Should the percentage share exceed the tolerance level further Cabinet approval would be required.

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Members: Cllr. Patricia Seaman	Cabinet Member for Children and Young People	-	06/10/2025	09/10/2025
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