
Expansion of Specialist Provision – DSP Phase 3

Executive Decision

Decision to be taken by: City Mayor

Decision to be taken on/Date of meeting: 14 August 2026

Lead director/officer: Sophie Maltby

Useful information

- Ward(s) affected: Affect multiple wards depending on school location
- Report author: Michael Wilsher, Head of Education Sufficiency and Admissions
- Author contact details: 0116 454 5361 michael.wilsher@leicester.gov.uk
- Report version number: 1.0

1. Summary

1.1 This report seeks approval for the release of **£4.4 million** from High Needs Capital to deliver **Designated Specialist Provision (DSP) or SEND Unit Provision places** across primary and secondary phases.

1.2 DSP Phase 2 successfully delivered over 170 new DSP places alongside strong quality assurance, strengthened practice, and extremely positive feedback from Ofsted, schools and families. With 23 DSP/SEND Units now offering 337 places across the city, the model has proven both *high quality* and *high impact* in terms of outcomes for children and young people with SEND.

1.3 The success of Phase 2, combined with sharply increased demand for specialist provision and growing pressures on the High Needs Block (HNB), makes further expansion essential. Forecasts continue to show a significant shortfall even after all planned Phase 2 expansions.

1.4 Expansion of mainstream specialist provision, referenced as Specialist Inclusion Bases in the latest DfE SEND Reforms (which includes DSPs, specialist units), remains one of the most effective strategies for:

- meeting statutory sufficiency duties
- reducing reliance on high-cost independent special school placements
- strengthening mainstream inclusion
- reducing transport costs
- stabilising the High Needs Block funding position

1.5 Furthermore, the Department for Education (DfE) has reinforced their emphasise in *strengthening mainstream provision and expanding resourced SEND places* in its **SEND White Paper ‘Every Child Achieving and Thriving’**. A proactive DSP Phase 3 programme aligns directly with this national direction of travel.

2. Recommended actions/decision

2.1 To approve the release of **£4.4m** from High Needs Capital to the Capital Programme to deliver **DSP and SEND Unit places** between 2026–2029.

2.2 To delegate authority to the Director of Education to agree final school sites and configuration of places, following feasibility work and due diligence, including reports and updates to relevant strategic boards.

3. Scrutiny / stakeholder engagement

- DSP Lead Teacher and SENCO Networks (3x annually) and DSP Headteacher Network (2x annually) have indicated strong support for continued expansion.
- Expressions of Interest have been received from both primary and secondary schools in areas of high demand.
- Feedback from parent/carer groups continues to show confidence in DSPs as a local, inclusive alternative to special school placements
- Review of anticipated costs to develop in school adaptation and TMB solutions to create capacity for mainstream specialist provision.

4. Background and options with supporting evidence

4.1 DSPs – Strategic Context

With recent national planned SEND reform policy and in line Leicester City's the drive for mainstream inclusion; provisions such as DSPs and SEND Units within mainstream schools are key to improving local SEND provision for pupils. Within Leicester we have already been promoting mainstream inclusion through our previous DSP phase 1 and 2 projects creating 23 DSP/SEND Units offering over 337 *high quality* and *high impact* places for children and young people with SEND.

DSPs provide specialist provision within mainstream schools. They offer pupils access to mainstream curriculum and social opportunities while receiving targeted, expert support. They play a crucial role in:

- meeting statutory SEND duties
- enabling local inclusion
- avoiding unnecessary specialist placements
- reducing pressure on special schools and independent placements

The Quality Inclusion Team's (QIT) DSP quality assurance cycle (termly monitoring; annual Quality Assurance Review (QAR) process) ensures high standards, consistency and strong practice development across the network.

4.2 Evidence of Demand and Sufficiency Pressures

Resource Allocation Panel (RAP) decisions naming DSPs increased from **7.4% (2019)** to **18.77% (2025)**, demonstrating high confidence and rising need in the system. Following the DSP Phase 2 programme which has created over 170 places, place planning forecasts predict a **deficit of 386 DSP/SEND Unit places by 2029/30**.

There are presently **77 children on the DSP waiting list**, which is expected to rise year-on-year in new places are not created. Demand is greatest for:

- Primary Communication & Interaction (C&I)
- Secondary Cognition & Learning
- Secondary C&I
- Social, Emotional & Mental Health (SEMH), focused on high-anxiety and Emotionally Based School Avoidance (EBSA) cohorts

4.3 Demonstrated Success of DSP Phase 2

The Quality Inclusion Team evaluation highlights the success of Phase 2, including:

- **Completion of DSP Phase 2:** 72 recent placements delivered (Rushey Mead, City of Leicester, Lancaster Academy, Willowbank Hospital School) with consistent termly monitoring and quality assurance.
- **High-quality provision:** QAR findings show strong leadership, curriculum development, assessment arrangements and parent engagement across DSPs.
- **Positive Ofsted commentary:** Schools with recent inspections (Imperial Avenue, King Richard III, Fullhurst, Stokeswood, Willowbrook Mead) reported that inspectors recognised DSPs as significant strengths in inclusion and SEND practice.
- **Improved mainstream inclusion:** DSPs have supported schools to retain more SEND learners successfully in their local community.
- **Peer-to-peer practice development:** Consistent networks for DSP Leads and Headteachers have strengthened consistency, confidence and shared expertise.
- **Clear evidence of impact on outcomes:** Through annual review and QAR reports, DSP pupils are demonstrating improved access to mainstream lessons, progress against EHCP outcomes and smoother transitions.

Phase 2 has therefore achieved its aim of building quality, capacity and confidence across the system, establishing a stable platform for a larger and more ambitious Phase 3.

4.4 Financial Pressures and the High Needs Block

Without further DSP expansion, the city will continue to see increasing reliance on **Independent Non-Maintained Special Schools (INMSS)** at an average cost of **£70k per place**, excluding additional transport costs. The DSP model costs significantly less per pupil at an average of £20k per place and delivers localised, inclusive support and reduces the need for transport.

- Phase 2 analysis showed that failing to create the delivered DSP places could have resulted in **£2.8m** of INMSS revenue pressure annually for just 40 pupils.
- With DSP Phase 3, if this delivered 162 places, the avoided INMSS expenditure is significant (saving £8.1m per year). Similarly, if these pupils were educated in Special Schools, the avoided expenditure is clear (saving £1.94m per year). This does not include the significant capital cost to develop additional special school places (approx. £130k-£190k per pupil place, totalling £30.8m)

Investment of £4.4m is forecast to create at least 162 DSP places, which demonstrates good value for money for capital at £27.1k per pupil place. It also has a strong **HNB recovery and stabilisation impact**, directly supporting the council's High Needs Management Recovery Plan for the revenue costs of the placements compared to special or independent provisions.

4.5 Alignment with DfE SEND White Paper

The national 2026 SEND White Paper, outlines the priorities:

- Raising standards for all pupils
- Strengthening mainstream inclusion
- Improving consistency across the system
- Reforming SEND to improve sustainability

- Increasing early intervention

DSP Phase 3 directly delivers against these expected national policy priorities, increasing mainstream inclusion through Specialist Inclusion Bases (DSP and SEND Units) positioning the authority as proactive, prepared, and aligned with the DfE policy direction.

4.6 Proposed DSP Phase 3 Programme

Schools have already started providing expressions of interest during the completion of DSP phase 2 and more schools are wanting to create specialist provisions within their school. Currently there are 13 schools who have expressed an interest, which would create 162 places, with ongoing conversations with more schools to increase this number. Expressions of interest have closed to determine the first year of projects to deliver capacity from September 2026 to September 2027. However, this will be reopened to continue to identify suitable projects to maximise the number of places created within the funding allocated. Priority for projects will be determined based on demand, provision type, location and phase of education.

The funding will support feasibility, development and delivery of:

- **New primary and secondary DSPs** in high-demand areas
- **Specialist units** for emerging cohorts (e.g., complex anxiety/EBSA, C&I secondary provision)
- **Enhancement of existing DSP accommodation** to expand capacity
- **New hybrid models**, including paired DSP/SEND Unit arrangements to support early intervention and progression

High level costs have been provided by Estates and Buildings, which demonstrates the viability to provide these places within the project budget of £4.4m. This would include projects to reconfigure existing classrooms space into a specialist or to deliver a solution using TMBs.

Based on the experience of DSP Phase 1 and 2, it is anticipated that we could be able to deliver more than 162 places within the £4.4m budget and will continue to work with schools and trusts to identify and include further DSP or SEND Unit projects to maximise the investment and improve our sufficiency.

All sites will be confirmed following survey, design feasibility and discussions with Headteachers, as well as considering locations where local provision is needed. These projects will be approved by the Director of SEND and Education based on these factors and to ensure the places continue to offer value for capital investment.

5. Financial, legal, equalities, climate emergency and other implications

5.1 Financial implications

This report is seeking to create 162 Designated Specialist Provision (DSP) or SEND places across primary and secondary schools as a Phase 3 programme. This builds on the DSP Phase 2 which created 170 places across the city.

DSP Phase 3 seeks to commit £4.4m of capital funding. This is available from High Needs Capital Allocation.

If these places are not created, based on demand, there would be a net cost of £8.1m in the High Needs Block as referenced in paragraph 4.4 above. The recommended option seeks to avoid this cost. The council is carrying a DSG deficit of £37.9m at the end of 2025/26 which has arisen mainly due to supporting children with SEND. DSP Phase 3 seeks to reduce the rate of increase in the DSG deficit.

Creating additional DSP places is part of our Local SEND Reform Plan. This plan, if approved, will fund 90% of our DSG deficit. Therefore, it is essential that we continue to make DSP places available in the city to demonstrate that children with SEND have appropriate educational facilities close to where they live in the city.

Once the additional places are created, the Council will use the national funding formula to distribute revenue funding to schools for pupils who remain in the mainstream setting. However, there is a lag in the way this funding is calculated by the DfE which schools will be aware of and should plan for when seeking to create additional places.

The report highlights that even with the additional capacity provided by DSP Phase 3 there will still be a shortfall in the number of SEND places required for children in the city. Therefore, future phases of DSP units will be considered as additional high needs capital funding is provided by the government. We will work with schools to identify space and capacity for future DSP units.

Signed: Mohammed Irfan, Head of Finance

Dated: 9 July 2026

5.2 Legal implications

Commercial Legal:

Any commissioning activity should be procured in line with the relevant Procurement Legislation and internal Contract Procedure Rules. Legal and Procurement Services should be engaged as early as possible in relation to any projects.

The DfE's High Needs Provision Capital Allocation Conditions and associated Guidance should be followed as may be required.

The Constitution reserves key decisions, included significant spend of above £500,000.00 to the City Mayor (and where relevant delegated onwards by the CM Scheme of Delegation).

Signed: Mannah Begum, Principal Lawyer, Commercial Legal Team

Dated: 5 June 2026

Education Legal:

Pursuant to Sections 13 and 14 of the Education Act 1996, the Local Authority has the legal responsibility to ensure that there are sufficient school places within the local area, including places that are sufficient in number, character and equipment to provide for all pupils the opportunity of appropriate education.

The report seeks to create additional places and/or to establish new DSP provisions, however, the specific sites have not yet been identified. Once potential sites have been identified, it will be necessary to consider whether the proposals could constitute a prescribed alteration and therefore whether the statutory process needs to be followed by the council.

The relevant legal framework is contained in Chapter II, Part II of the School Standards and Framework Act 1998 and the School Organisation (Prescribed Alterations to Maintained Schools) (England) Regulations 2013. This is supported by the statutory guidance *Making significant changes ('prescribed alterations') to maintained schools*.

If the Regulations do apply, the statutory process will need to be followed for each individual proposal, which includes a period of formal representation (consultation) of at least 4 weeks.

It is recommended that further legal advice is obtained in this regard.

Signed: Julia Slipper, Principal Solicitor (Employment & Education)

Dated: 9 June 2026

5.3 Equalities implications

Schools are covered under Part 6 of the Equality Act 2010. Schools must not discriminate against a child by not offering a place or by only offering a place under specific terms and conditions. They must ensure that the child has full access to education, facilities and services. They must not subject 'the pupil to any (other) detriment' which means they must not subject the child to any form of disadvantage.

Schools and education authorities have a duty to provide reasonable adjustments for disabled pupils. Under the Equality Act 2010 (including the local authority and schools), have a Public Sector Equality Duty (PSED) which means that, in carrying out their functions, they have a statutory duty to pay due regard to the need to eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act, to advance equality of opportunity between people who share a protected characteristic and those who don't and to foster good relations between people who share a protected characteristic and those who don't.

Protected Characteristics under the Equality Act 2010 are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, sexual orientation. Equality covers all aspects of school life enjoyed by children – teaching and learning, special educational needs and disabilities can affect a child or young person's ability to learn.

This proposal seeks approval for the release of £4.4 million from the High Needs Capital Fund to create Designated Specialist Provision (DSP) or SEND Unit places across the city.

If the proposal is agreed it will lead to a positive impact for children from across a range of protected characteristics across the city by increasing access to inclusive education in local mainstream settings and reduce the need for long travel distances or placements outside the city.

The protected characteristic of disability is highly relevant to the proposal however other protected characteristics should also be considered to ensure that there are no unintended disproportionate impacts, or if disproportionate impacts are identified, they are appropriately mitigated. Pupils with SEND are individuals, and their special educational needs or disability may affect them in different ways depending on them as individuals and the context in which they are living and being educated. These provisions will allow children to still be included a mainstream setting, in their local community and not have to travel considerable distances to school.

Signed: Equalities Officer, Surinder Singh, Ext 37 4148

Dated: 5 June 2026

5.4 Climate Emergency implications

Schools are a significant source of greenhouse gas emissions in Leicester. Following the city council's declaration of a Climate Emergency, and its ambition to achieve carbon neutrality, addressing these emissions is a part of the council's efforts in meeting this aim. This is particularly important in projects where it has the greatest influence and can engage with partners to ensure that highest possible standards of energy efficiency and carbon reduction are achieved.

Where the development of new DSP provision leads to the refurbishment of existing buildings, or the development of new buildings, consideration should be given to all relevant measures to increase energy efficiency and reduce emissions. This could include the installation of high-performing insulation, energy efficient heating, low energy lighting and low carbon/renewable energy systems such as solar PV panels and heat pumps. These measures should also reduce energy bills and improve the level of comfort for occupants.

Signed: Phil Ball, Sustainability Officer, Ext 372246

Dated: 5 June 2026

5.5 Other implications (You will need to have considered other implications in preparing this report. Please indicate which ones apply?)

6. Background information and other papers:

7. Summary of appendices:

8. Is this a private report (If so, please indicate the reasons and state why it is not in the public interest to be dealt with publicly)?

9. Is this a "key decision"? If so, why? Yes, Finance Criteria relating to [Increasing the Number of School Placements for Children with Special Educational Needs - Designated Specialist Provisions \(DSPS\)](#)