



**CHILDREN AND FAMILIES OVERVIEW AND SCRUTINY COMMITTEE:**  
**3 MARCH 2026**

**CONSULTATION ON EXPANDING COMMUNITY BASED SUPPORT FOR**  
**EARLY YEARS CHILDREN WITH ADDITIONAL NEEDS**

**REPORT OF THE DIRECTOR OF CHILDREN AND FAMILY SERVICES**

**Purpose of report**

1. The purpose of this report is to inform the Committee of proposals to create more accessible and inclusive SEND (Special Educational Needs and Disabilities) nursery places in Leicestershire communities. This is proposed to be achieved through increased levels of inclusion support and funding for children aged 0-4 with additional needs, to enable greater access to mainstream provisions across the county and remove the reliance on specialist nurseries. The views of the Committee are sought as part of the consultation on the proposals and will be presented to the Cabinet for its consideration, on 24 March 2026.

**Policy Framework and Previous Decisions**

2. The Children and Families Act 2014 sets out the legal duties that local authorities and Integrated Care Boards must fulfil for children and young people with Special Educational Needs and Disabilities (SEND) aged 0-25. This includes a duty to identify and assess the SEND of children and young people in their areas when they become aware that they have or may have SEND, and to provide special educational provision where this is identified in an Education, Health and Care Plan (EHCP).
3. The SEND Code of Practice 2015 sets out the statutory guidance for supporting children and young people with SEND. This includes the legal framework for making decisions around requests for Education, Health and Care Needs Assessments.
4. The proposal outlined in this report is aligned with the ambitions set out in the Children and Family Services Department Plan 2024-26, the County Council's Strategic Plan 2022-26, and the Council's Medium-Term Financial Strategy (MTFS).
5. In June 2025, the Cabinet agreed the SEND and Inclusion Strategy 2025-2028, setting out a strategic direction for improvements to partnership SEND services in Leicestershire. These proposals are aligned with the ambition of the strategy that 'all children and young people can thrive and achieve in their community'.

6. The proposals will also ensure that the County Council is able to deliver the mainstream inclusion aspirations expected to be set out in the Government's upcoming Schools White Paper.
7. On 18 November 2025, the Cabinet agreed to a consultation being undertaken on the proposals.
8. At its meeting on 20 January 2026, the Children and Families Overview and Scrutiny Committee considered a report on the Medium Term Financial Strategy 2026/27 - 2029/30 which noted the significant financial challenges facing the Authority, including a growing deficit in the High Needs Block of the Dedicated Schools Grant (DSG). Members raised concern regarding significant overspend on high-cost SEND placements and noted that the level of expenditure was unsustainable.
9. At the Full County Council meeting on 18 February 2026, the following motion was put and carried:
  - a) That this County Council believes that the four pre-school nurseries currently supported by this County Council that serve children with Special Educational Needs in the County should continue to be supported in their current form;
  - b) That the Menphys Nurseries in Wigston and Sketchley Hill in Burbage and the Oasis nursery in Melton Mowbray and the Lift Beacon in Loughborough provide essential educational support to some of the most vulnerable young children in Leicestershire;
  - c) That many parents have expressed their anguish at the news that the nurseries could close. They offer specialist focused teaching and expert care. To close them would mean the loss of an essential service in the County;
  - d) That this County Council believes that the four nurseries should continue to remain open and urges the County Council Cabinet to listen to the residents of Leicestershire and this Council and keep the nurseries open.

### **Background**

10. The Council's vision for the Early Years sector is for all children aged 0-4 including those with additional needs to be able to access high quality Early Years education that meets their needs within their local community. We believe that families should be able to take up their full entitlement to funded childcare hours in a way that best suits them.

### **Existing Early Years provision for children with additional needs**

11. There is currently inequality of access to early years provision for children with SEND.
12. The Council currently commissions specialist nursery places at four sites across the County: Menphys (Sketchley Hill Menphys Nursery School and Wigston Menphys Nursery School), Oasis Retreat in Melton Mowbray, and Lift Beacon in Loughborough. Specialist nurseries are commissioned to offer 64 places, which are attended by 126 children on a part-time term time only basis.

13. The Menphys sites at Sketchley Hill and Wigston are operated as local authority maintained Early Years specialist nurseries, while two specialist provisions are attached to Private, Voluntary and Independent settings (Beacon Nursery, Loughborough and Oasis Family Centre, Melton Mowbray).
14. Places are allocated within these provisions through a SEND panel of professionals and funded through the High Needs Block. All four specialist nurseries cater for all areas of need for children 2-5 years old.
15. The Early Years Inclusion and Childcare service currently supports over 750 children with additional needs, which has increased by nearly 25% over the last four years. Of these, nearly 300 children have additional needs sufficiently complex to require an Education, Health and Care Plan (EHCP) to support them, with another 140 children currently under assessment for an EHCP.
16. Specialist nurseries are not evenly spread geographically across the County and there are insufficient places available for all children with complex needs to attend. This creates inequity within the current support arrangements, both in terms of spaces not available to be offered to all children who may benefit, but also in where they are located as some of our most disadvantaged families are less able to travel or to accommodate the travelling time and operating hours of specialist nurseries within their working day. Long periods of travel can also impact negatively on children with additional needs who can arrive at settings dysregulated and not ready to engage with learning.
17. The limited availability of specialist provision also creates a lack of equity in accessing the Funded Early Education Entitlement (FEEE) compared to mainstream provisions. Children accessing specialist nurseries are not offered their full entitlement and are not given the option to use these hours throughout the year and are restricted to term-time only, unlike the majority of mainstream early years providers.
18. As a local authority, Leicestershire is rare in maintaining specialist nurseries, as a large number of local authorities no longer have access to specialist provisions for non-statutory school aged children.
19. The Early Years Inclusion and Childcare Service work with both Public Health Visiting Teams and Early Years Providers to identify and support children with additional needs, working together to put strategies and support in place to ensure children's needs are met. The Service has a strong track record of working closely with the sector to encourage and support mainstream inclusion of children with SEND, and a number of children with complex medical needs such those requiring oxygen or that are tube fed are already supported to attend mainstream nurseries. Specialist SEND advisors support families to access provisions that meet the needs of their children, providing advice and training to providers and enabling children to settle in their settings.
20. The Early Years service provides support to settings and families in developing an Individual Health and Care Plan (IHCP) for children with medical needs where this is needed. Training offered by the Early Years Inclusion and Childcare Service includes bespoke drop-in sessions led by a range of qualified professionals to provide tailored advice and guidance. The local authority also supports providers to access Diana

training for two members of staff per child per setting, enabling children with complex medical needs to attend their local mainstream setting safely. This has been highly effective over a number of years.

21. Ofsted-registered Early Years Providers, who have Leicestershire children with SEND accessing their mainstream nursery, qualify for Inclusion Funding to enable them to create an inclusive environment and provide support for individual children with SEND. This includes children accessing as a dual placement, using their full funded entitlement across two provisions (in this case, specialist and mainstream). The highest rate of Inclusion Funding to support children with significant SEND in the mainstream cohort is currently £5.50 an hour.
22. Additional funding streams are also available to support eligible children to access Early Years provision; the Early Years Inclusion and Childcare service supports families and providers to access Disability Access Funding (DAF) and Pupil Premium funding where appropriate.

#### Existing costs and future expectations of Specialist Nursery provision

23. The Council currently spends around £1.3m on specialist nursery places which is budgeted to increase to £1.5m in 2026/27. Funding for supporting SEND through the High Needs Block of the Dedicated Schools Grant has not kept pace with demand leading to an increasing DSG deficit position.
24. The specialist nursery model does not provide best value for money for the Council, particularly compared with providing Inclusion Funding and Early Years SEND and Area Special Educational Needs Coordinator support for SEND children to access mainstream provision. The average full-time placement at a maintained Specialist Nursery is £27,184 per annum. Based on providing a £10/hr rate of inclusion funding for children attending a mainstream provision for the maximum 30hr/week free early education entitlement, this would cost £11,400 per annum.
25. Once a child has secured a specialist nursery place there is often an expectation that they will continue to require specialist educational provision, setting a specialist trajectory for the child's entire educational journey. This need not always be the case; for example, if issues such as developmental delay are addressed.
26. Furthermore, parents/carers of a significant number of children currently at specialist nurseries are asking to delay or defer school admission until the child reaches statutory school age and are seeking another specialist setting at this point. Evidence and experience show that the families of children educated in community settings have better understanding of a mainstream offer, are more likely to express a mainstream preference, and benefit from all the positive effects of mainstream inclusion – including academic gains, social engagement, peer acceptance, behaviour issues and participation in school and community groups, greater independence and social skills.

#### Benefits of Local Community Provision

27. The Schools White Paper is expected to set out the Government's plan to ensure opportunity for all by delivering an inclusive education for every child with a high-quality curriculum and highly trained, expert teachers. This will be based on an

inclusive mainstream system, with specialist support for children that need it, and improved, efficient and effective local delivery.

28. When children have to travel some distance in order to access specialist provision they and their families are more likely to miss the support and connection with their local communities. Children with additional needs can benefit greatly from provision that supports achievement at, and enjoyment of, pre-school in their local community.
29. In developing the proposals, a review of the considerable research around the benefits of mainstream inclusion and belonging for children with SEND was carried out; this included a report of the Education Committee, published in September 2025. The review also considered research papers on the subject, including, for example, from Bath University on the subject of mainstream inclusion for children with Profound and Multiple Learning Disabilities (PMLD).

### **Proposed Approach to Expanding Local Support**

30. Additional Early Years specialist staff capacity and funding would be introduced to support local settings, with changes proposed to staff working hours to ensure more cover for school holiday periods. The proposal includes:
  - Recruitment of 6FTE additional specialist SEND practitioners, creating a team of nearly 40 expert staff. These practitioners will support families through the Best Start in Life Family Hub programme and will provide targeted blocks of support within early years settings. Each practitioner will work within an allocated locality in order to minimise travel for young children and foster strong community relationships with children, families, and providers.
  - An additional Inclusion Funding band created to support Early Years providers supporting children with potentially more complex additional needs of £10/hr. The proposed additional inclusion funding will enable providers to offer increased adult to child ratios, and, in combination with Disability Access Funding for eligible children, to purchase resources to support learning.
  - As a result of additional support in mainstream settings, the Council would no longer need to commission places in specialist nurseries.
31. These proposals aim to ensure children get the right support, in the right place and at the right time. They will support mainstream inclusion within the childcare and early education sector, mitigating the risks of children with additional needs not accessing their funded entitlement due to financial constraints and lack of confidence and experience from Early Years providers.
32. Supporting families and parental choice is an important element of the proposals, as all families are entitled to 15 or 30 hours (for working parents) of free childcare per week for 38 weeks of the year through FEEE. Specialist nurseries generally offer places for 12 hours a week over two days during term time only and do not enable families the opportunity to use their funded hours in the way that best suits their circumstances. Mainstream early years providers offer families the choice to stretch their funded hours over more weeks of the year to manage childcare costs over school holiday periods, to use their full entitlement to hours, and offer optional private hours in addition to funded childcare hours for families who need them. The majority of

mainstream childcare providers also offer greater flexibility around start and finish times, which is not offered through specialist nurseries.

33. The proposed model based on a £10/hr rate of Inclusion Funding for children with more complex needs would enable more children to access more hours of supported early education, in their local community, than are available through specialist nurseries, introducing a more equitable offer.
34. The local authority is currently relying on Independent Specialist Providers to provide a number of specialist school places for children aged 5-16 due to current sufficiency issues. Through this proposal, if approved, the Council would work with Menphys and its existing Area Special Schools to consider opportunities for repurposing the existing maintained specialist nursery buildings at Sketchley Hill and Wigston.
35. Subject to the outcome of consultation and further consideration by Members it is intended that the new model would be in place with effect from April 2027.
36. It is recognised that mainstream providers may require additional training and support from the Council's Early Years team and the proposed implementation timelines allow for this support to be put in place.
37. The Government has recently announced a £200 million national SEND training programme, which will include free training focused on inclusive practice, child development and practical SEND strategies for all early years practitioners. This will be introduced alongside the proposed additional support for mainstream providers.

### **Cost Implications of the New Model**

38. The cost of introducing the proposals above has been projected at £1.32m per year, in line with the current cost of providing specialist nursery places. All of the funding currently spent on commissioning specialist placements will be reinvested to support the new proposed delivery approach in mainstream settings. More children with additional needs will benefit from the proposed support model without incurring additional costs to the Council against the already under pressure High Needs Block budget. There may be some one-off costs of around £1.17m through staff redundancies; however, the Council will wherever possible look for opportunities to redeploy staff in order to reduce the impact of the proposals.
39. Assuming agreement to repurpose existing maintained specialist nursery buildings for specialist school places for statutory school age children, it is anticipated that 41 places could be created. This would reduce the need for expensive independent special school places which cost on average around £42k per year more per place than maintained special schools. If agreed, additional special school places are proposed to be available from September 2027 and would enable the Council to offset around £1.7m per year of future High Needs Block expenditure.

### **Approach to implementation**

40. Subject to the outcome of consultation and further consideration by Members, the new model could be in place with effect from April 2027. In order to achieve this timeline, notice would need to be given to existing provider(s) with effect from April 2026.

41. Should the proposals be approved, the remaining children attending the current specialist nurseries would have a bespoke transition plan to support their successful inclusion into a local mainstream provision. The Early Years Inclusion and Childcare Service already supports providers to complete EHCP reviews and provides training to build confidence and support in planning. Providers are experienced in working collaboratively with parents and carers and in advocating for the needs of the child. Safeguarding remains of paramount importance within all early years settings.
42. Children's progress will be monitored continuously; advice and support will be provided by the Early Years Inclusion and Childcare Service. Support will be provided, which will also model good practice and strategies to support the children at home and in the setting.
43. For the very small number of children who have the most complex needs, the Council has agreed to invest £30m in a brand-new state of the art special school which can provide early years places should this be required. Officers are also able to commission places, if required, from the current area based special schools across the County. Decision making responsibility will remain with the Special Educational Needs Assessment service.

### **Consultation**

44. A public consultation sought stakeholders' views on the proposed new model of support for Early Years children with additional needs. This was carried out primarily using an online survey, which was also available in accessible print versions on request. The consultation will enable stakeholder feedback to be considered before adoption.
45. The six-week consultation on the proposed new model commenced on 12 January and concluded on 22 February 2026.
46. A further report will be considered by the Cabinet on 24 March 2026, summarising the consultation feedback and making recommendations on the proposals outlined.

### **Resource Implications**

47. The proposed changes to the model of support for Early Years children with additional needs come at a time of unprecedented and growing demand for High Needs support across the SEND system. The financial position of the High Needs DSG is a significant risk to the Local Authority where a financial deficit of £110.5m at the end of 2025/26 is forecast, which could rise to £460m if future demand remains on a similar trajectory to the growth seen in 2025/26. This is clearly an unsustainable position.
48. The Council continues to await the publication of the Schools White Paper which will propose reforms to the current SEND system. Recent announcements of support to clear 90% of existing SEND deficits are welcome, however there is no detail currently on what a local SEND reform plan will need to cover in order to secure the funding, or the overall financial and workforce implications of reforms to the existing SEND system.
49. As set out in paragraphs 38 and 39, the cost of introducing the proposals above has been projected at £1.32m per year, in line with the current cost of providing specialist

nursery places. All of the funding currently spent on commissioning specialist placements will be reinvested to support the new proposed delivery approach in mainstream settings. Additional one-off costs of around £1.17m may be incurred through staff redundancies, but mitigated through redeployment, where possible. If agreed, additional special school places for statutory school aged children would enable the Council to offset around £1.7m per year of future High Needs Block expenditure.

50. The proposal, if agreed, involves the recruitment of six additional Early Years Inclusion and Portage Practitioners to offer direct support for children with SEND, their families and Early Years Provisions, as well as additional Inclusion Funding being allocated to local settings attended by children with additional needs, building capacity and expertise.
51. The Director of Corporate Resources and Director of Law and Governance have been consulted on this report.

### **Timetable for Decisions**

52. At its meeting on 18 November 2025, the Cabinet approved a consultation to be undertaken on the proposals for expanding community based support for early years children with additional needs.
53. As part of the consultation process, the Children and Families Overview and Scrutiny Committee are requested to consider and provide feedback on the proposals. The views expressed by the Committee will be included in a report to the Cabinet.
54. It is intended that the Cabinet will receive the further report at its meeting on 24 March 2026, including a comprehensive summary of feedback received during the consultation and setting out proposed next steps for Cabinet consideration.

### **Background papers**

Report to the Children and Families Scrutiny Committee on 20 January 2026 “Medium Term Financial Strategy 2026/27 - 2029/30”:

<https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=1043&MId=8410&Ver=4>

Report to the Cabinet on 18 November 2025 “Expanding Community Based Support for Early Years Children with Additional Needs”:

<https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=7881&Ver=4>

Report to the Cabinet on 17 June 2025 “Special Educational Needs and Disabilities (SEND) And Inclusion Strategy 2025-2028”:

<https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=7877>

Notice of Motion: SEND nurseries, County Council on 18 February 2026:

<https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=134&MId=7862&Ver=4>

Report to the County Council on 18 May 2022 “Leicestershire County Council's Strategic Plan 2022-2026”:

<https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=134&MId=6482>

Solving the SEND crisis: report calls for culture shift and funding to make mainstream education genuinely inclusive:

<https://committees.parliament.uk/committee/203/education-committee/news/209313/solving-the-send-crisis-report-calls-for-culture-shift-and-funding-to-make-mainstream-education-genuinely-inclusive/>

Simmons, B. (2023) 'Mainstream placements for children with PMLD: the perspective of teaching staff and parents', PMLD Link, 35.2 (105), pp. 15-17:

<https://researchspace.bathspa.ac.uk/15660/1/15660.pdf>

### **Circulation under the Local Issues Alert Procedure**

55. This report has been circulated to all Members of the County Council.

### **Equality Implications**

56. The proposals will address the current inequity of provision and improve access to fully funded early years provision for children with additional needs and protected characteristics.

57. An Equalities Impact Assessment (EIA) has been completed on the proposals and consultation approach which can be found at Appendix A. It concluded that the proposals should have an overall positive impact for all protected groups and other communities which are of special interest to the Council. The EIA will be revised following the consultation and submitted to the Cabinet.

### **Human Rights Implications**

58. There are no human rights implications arising from the recommendations in this report.

### **Partnership Implications**

59. The largest partner to be impacted by this proposal is Early Years Providers. The impact and mitigations that are proposed are detailed within this report.

### **Appendices**

Equality Impact Assessment

### **Officer(s) to Contact**

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