

Out of Area Specialist Placements

Children's Scrutiny Panel - 15 September 2025



middlesbrough.gov.uk

 Middlesbrough
moving forward

What is an Out of Area Specialist Provision?

It is a residential or education placement that is:

Out of Area

- It is geographically located outside of the child's home local authority boundary

Specialist

- It provides education provision for children and young people with complex needs/ special educational needs and disabilities

The types of out of area specialist provision that Middlesbrough children access is split into:

Other Local Authority Special Schools

- These are schools which are maintained by the local authority where they are based or are a part of the state school system

Independent Provision

- These organisations are run privately and are not maintained by the local authority or part of the state school system
- Some independent specialist provision offer day placements for children and young people, which others also provide residential options

Reasons for using Out of Area Specialist Provision

There are a number of reasons why it may be necessary to commission a place for a child or young person in an out of area specialist provision.

- Gaps in local provision – sometimes there is insufficient provision in a local area which makes an out of area placement necessary
- Individual needs of a child – a placement may be necessary because a child has complex needs or low incidence needs which means a local authority is unable to deliver provision within its own resources
- Specialism – the provider may offer therapies or specialist expertise which is not available locally
- The child is in the care of the local authority, lives outside of the Middlesbrough area and is in an education placement close to where they live
- The child may have moved into Middlesbrough from a neighbouring local authority and for consistency it is appropriate to continue to commission the placement
- Parental preference – for children with an EHCP, parents can identify an out of area independent specialist provision as their preferred school which the local authority must consider.

The majority of children in out of area specialist provision have an Education, Health and Care Plan. Local placements for children are always considered first before a placement out of area is agreed.

Characteristics of children in out of area specialist education provision

The split by special educational need is:

Type of special educational needs	Number of children
Autistic Spectrum Condition	23 (20%)
Social, Emotional and Mental Health Needs	62 (55%)
Moderate Learning Difficulties	1 (1%)
Speech and Language Needs	9 (8%)
Hearing Impairment/ Visual Impairment	1 (1%)
Severe Learning Difficulties	12 (11%)
Profound and Multiple Learning Difficulties	2 (3%)

- In terms of age range: 22% of children are primary age, 71% are secondary age and 6% are post 16.
- In terms of placements and their geographical location: 55% Tees Valley, 21% North East, 8% North Yorkshire, 15% National

The cost of other local authority specialist provision

The average costs for children in local authority specialist provision are similar to the costs that are paid for a special school placement in Middlesbrough. These placements are funded through the High Needs Budget of the Dedicated Schools Grant.

There are currently 53 children who receive their education in another local authority special school outside of the Middlesbrough boundary.

An average placement cost based on current spend for a placement in this type of provision is broadly comparable to the the cost of a placement in a Middlesbrough special school at around £16k.

The total budget outturn for the 24/25 financial year for other local authority specialist provision was £1.176m.

Many of these children are eligible for transport assistance. The average per pupil costs of transport to other local authority schools is £4k per annum.



The cost of independent provision – day placements

Independent provision is more costly than maintained or academy school provision. These are funded through the High Needs Budget of the Dedicated Schools Grant. There are currently 60 children in these types of placements.

An average placement cost based on current spend for Middlesbrough is £65k, vs the cost of a placement in a special school £16k.

The outturn for the 24/25 financial year for independent specialist provision was £4.786m.

Despite reducing numbers of children accessing provision, uplifted fees and costs from independent providers mean that the financial impact of reducing reliance is not always fully realised.

Many of these children are eligible for transport assistance. The average per pupil costs of transport to independent provision is circa £30k per annum. There are 15 children who are transported to and from independent day placements by the local authority each day.

Residential Education Placements

We have 84 of our 500 children looked after living in private residential children's homes outside the local authority. Many of these children would be in foster care or our own children's homes if we had availability.

These children are receiving education at either schools local to their children's home or education which is provided on the premises.

These can be high-cost specialist placements for some of our most complex children, many of whom also have an EHCP. For example, 15 children receive their care and education in a residential specialist education placement and 12 of these children have an Education, Health and Care Plan.

In these circumstances, staff from across children's services (including looked after children's social workers, the virtual school and the special educational needs team) work together, supported by finance and commissioning, to secure placements and make placement decisions collectively.

On occasion, residential education provision may be commissioned for children who are not looked after.

Performance data and statistics – Independent Specialist Education Provision

Analysis of the use of independent specialist provision during the Delivering Better Value programme in 2022 identified this as an area for improvement and one where cost mitigation could be realised with the deployment of a different strategy.

Since 2023, use of independent specialist provision in Middlesbrough has reduced. There are 60 children who access their education provision in independent schools.

Middlesbrough's performance against regional and nation benchmarks is favourable. Middlesbrough has the lowest use of Independent Special Schools in the Tees Valley at 2.97%, and is below National (4.64%) and Regional (3.28%) averages.

In addition, there is reducing reliance on the use of these placements for children with a new EHCP. In Middlesbrough 1.7% of new EHCPs were placed in independent specialist provision which is below National (2.4%) and Regional (1.8%) averages.

This is because of developments in local specialist provision to increase sufficiency within the town, along with strong partnerships with specialist and other education providers who are committed to developing specialist expertise within Middlesbrough to meet the majority of children's needs locally

Quality

There are a number of quality assurance checks and processes in place for using out of area schools, and in particular independent specialist providers.

The secretary of state for education publishes a S41 approved list of independent special schools and specialist post-16 institutions. This list is published with assurances that providers on the list have to meet certain standards.

Contracts and individual placement agreements – there is a process for commissioning independent specialist provisions with contracts in place and individual placement agreements for each child.

Schools and care provisions are subject to regulatory oversight from Ofsted and the CQC.

Staff from the local authority visit children in their settings regularly but there is also a quality assurance process in place for key members of LA staff to carry out quality visits at the provisions. In 2023 during the SEND Local Area Inspection, the process of out of area placements and assurance was found to be effective.

Next Steps

There is an opportunity to continue reducing reliance on out of area placements. This will not only have a positive financial impact, including on the high needs budget and transport budgets, but it will also mean that the majority of children will remain in their local community.

It will never be possible to reduce reliance completely, but the intention would be to reach a minimal level and build local capacity and specialism to avoid reliance on out of area placements.

The work required to ensure this continues, will also be included in the new SEND & Inclusion Strategy which is due to be published in Jan 2026.

