

Scottish Parliament Social Justice and Social Security Committee

Pre-Budget Scrutiny 2024-25

Written submission by Place2Be, August 2024

Thank you for the opportunity to give our thoughts on third sector funding.

We have worked in Scotland for over 20 years, creating a Place2Be: a safe and creative space in schools for children to talk about their emotions and any difficulties they are facing, so mental health problems don't grow with them.

We provide in-school mental health support services in over 70 primary and high schools in Scotland, and outreach services to more than 150 schools – meaning we are available to over 60,000 children and young people.

We also provide 'places to be' for the adults around children of all ages in Scotland to learn, reflect and gain confidence in supporting children's mental health. Through supporting the whole school community, we create systems that help children thrive.

Below are our responses to the questions posed by the Committee.

1. Please select ALL sources of funding your organisation currently receives

Place2Be's services in Scotland receive funding from the following sources:

- Central government (via Corra Foundation)
- Local government (via tenders and specific funds)
- Devolved school funding, including Pupil Equity Funding
- Fundraising (trusts, foundations, philanthropy, corporate, events, individual donations)

2. Longer-Term Funding Impact: How would a shift to longer-term funding of three years or more support your organisation?

Many of our services rely on short term funding, particularly at a local or school level. Longer term funding would allow us to be more fully embedded in schools: to build relationships with the school; deepen our community roots; and demonstrate the impact we have on the school community. Longer-term contracts and funding are not only important for establishing relationships with schools but also for developing secure and trusting relationships with vulnerable young people and families themselves.

Furthermore, longer-term funding would increase job security for our school-based clinicians and less staff turnover for us as an organisation, particularly given the investment we have made in training them. This helps build a sustainable children's mental health workforce, which is in the interests of the government too as there aren't enough qualified staff right now.

Short-term funding also hinders our ability to fully evaluate services, making it harder to identify good practice and share this across the sector. Reporting could also be more streamlined, meaning more time to focus on service delivery.

Finally, it would mean we could improve financial planning, making our services more sustainable.

3. Longer-Term Funding Impact: What specific challenges do you foresee in transitioning to such a funding model?

Where possible our services are funded through partnerships across the public sector – with funding from the NHS, local authorities, and schools. If we are to move to more longer-term funding, it will require stronger partnership working, particularly where funding from each source is provided on a different timescale.

4. Longer-Term Funding Impact: If relevant, please provide any specific examples of how your organisation has been affected by a lack of longer-term funding certainty.

We deliver counselling as part of the Scottish Government-funded counselling in schools programme in secondary schools in Tayside. This is procured on short contracts for 1 year or less, which negatively impacts our workforce planning and ability to provide fair work as we're only able to provide staff with temporary contracts, despite the work often continuing.

When work doesn't continue, we've only been able to give staff two-weeks' notice before they lose their roles because we hadn't heard about the funding until then. For the schools and young people we're working with, they are also in an uncertain position about whether we will be available in the next school session, often not finding out until the last week of term.

New and innovative work is also often funded on a short-term basis. For example, we have recently been awarded community mental health funding in Dundee for one year for a new service to support children disengaged from education. We are delighted that this important work will begin but one year doesn't provide adequate time for our Community Mental Health Practitioner to build lasting relationships with schools and will impact the number of schools able to benefit. It also doesn't provide continuity and stability for the young people we'll be working with.

5. Flexibility and Core Funding Needs: In what ways would flexible, unrestricted core funding enhance your organisation's operational effectiveness and governance?

Greater flexibility and unrestricted core funding could ensure our school services are less reliant on charitable fundraising, making them more sustainable. It would also mean that we could cover the core costs we incur beyond the direct delivery of our service, such as management time or HR. It would also support one of the strengths of a Place2Be – our school staff are supported by a scaffolding of professional clinical supervision, Educational Psychology and safeguarding.

It would also make us more flexible in responding to needs on the ground and could set our own outcomes based on what children and young people, families and schools are telling us.

6. Flexibility and Core Funding Needs: What specific challenges do you foresee in transitioning to such a funding model?

We strive to work in a place-based way, ensuring we are embedded in school communities. Indeed, we have worked in some communities in Scotland for over 20 years. However, this is often not recognised by funders, who increasingly using restrictive criteria such as size of organisational income or location of an organisations HQ. We would hope that a nuanced approach would be taken, which accounts for the extent to which an organisation can demonstrate that it works in a place-based manner or is embedded in a particular community.

7. Flexibility and Core Funding Needs: If relevant, please provide any specific examples of how your operational effectiveness and governance have been affected by a lack of flexibility in your core funding.

We have worked in Edinburgh City for over 20 years and since the inception of these school services, our first in Scotland, we received a small (static) unrestricted grant from the local authority. However, this funding stream has recently been altered to exclude any organisations with an income of over £2 million. While this has greatly benefited smaller grassroots organisations, it has undermined the sustainability of our services in a community in which we have deep roots.

8. Sustainable Funding and Inflation Adjustments: How critical are inflation-based uplifts and full cost covering, including core operating costs, to the sustainability of your organisation?

Without inflation-based uplifts in funding, cost increases mean third sector organisations must rely on additional fundraising, drawing down reserves, or making redundancies. In the longer-term, this will inevitably impact the sustainability of third sector organisations like Place2Be. This impact can also be felt because of the cost crisis impacting our purchasers, meaning less public funding available for schools.

9. Sustainable Funding and Inflation Adjustments: What impacts have you observed or anticipate without these adjustments in your funding?

For the children and young people we support, this ultimately means a reduction in the mental health services we can provide them as schools or local authorities must reduce the services they purchase from us, or we have to absorb more of these costs.

10. Sustainable Funding and Inflation Adjustments: If relevant, please provide any specific examples of how your organisation's sustainability has been affected by a lack of inflation uplifts and/or full cost covering.

As mentioned at question 7 the grant we received from the City of Edinburgh Council was static and did not increase in the 20 years we received it, nor has a similar grant we receive

from NHS Lothian increased. This has resulted in Place2Be absorbing greater costs to continue providing the same level of service to schools in Edinburgh.

Equally, local authority multi-year tenders often require us to submit costs which are consistent for each year of the contract i.e. not permitting us to build in inflationary increases. Recent examples include the primary school counselling contract in West Lothian and a contract for the whole school approach for Renfrewshire Council.

11. Real Living Wage Commitments: What challenges does your organisation face in ensuring all staff are paid at least the Real Living Wage?

We recently became an accredited Living Wage employer and are proud to have done so.

12. Real Living Wage Commitments: How would improved funding arrangements support your organisation to meet this commitment?

Greater unrestricted core funding would support us to continue to do be a Living Wage employer.

13. Efficiency in Funding Processes: What improvements in the application, reporting, and payment processes could make the funding system more efficient for your organisation?

As school-based service provider, we work based on school years rather than financial or calendar years, which can be a challenge both in terms of drawing down funds and reporting. Greater flexibility, particularly in terms of reporting requirements would be of benefit to us and other school-based services.

With regards to application processes, we believe there would be clear benefits to clearer and more efficient timetables for tendering processes. Indeed, where procurement frameworks are required at a local authority level, this can often be a long process, sometimes taking years and often longer than the original timetable. This can often leave us in limbo – unable to deliver to schools who would like to improve the provision of mental health support to their pupils.