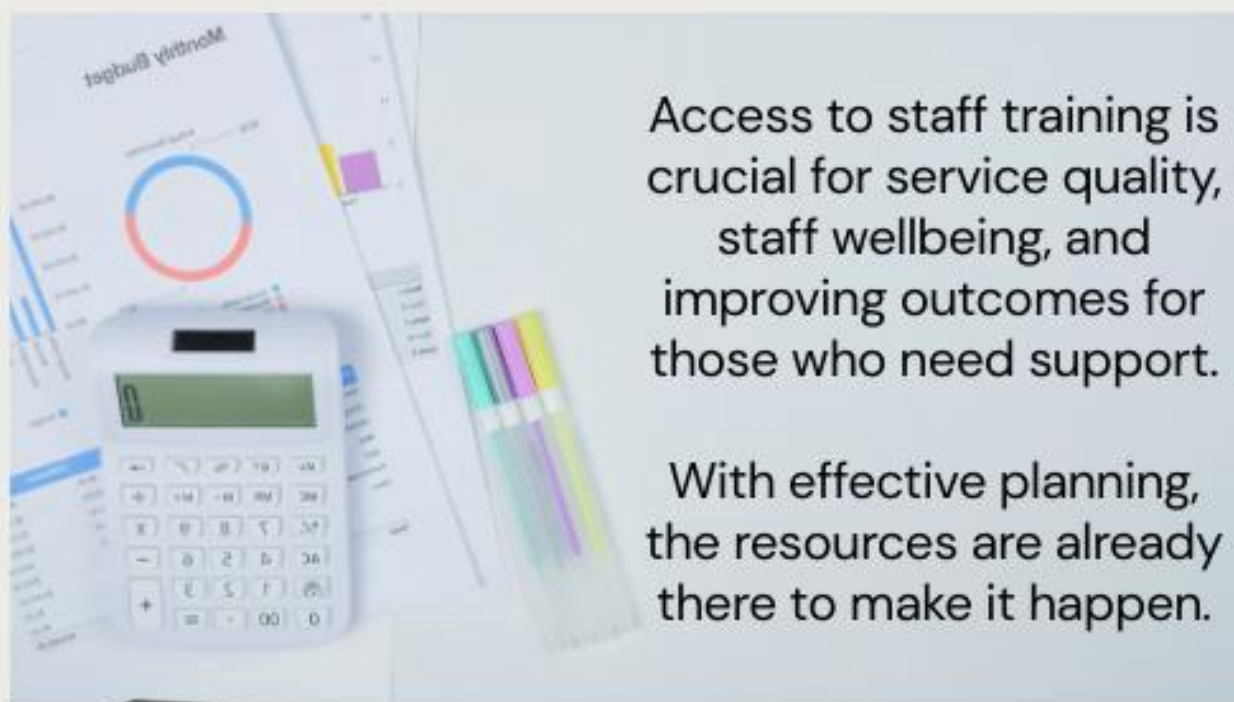


Supporting Children
Young People
and Families



Underspent and Overstretched: The Missed Opportunity in Every Service Budget



Access to staff training is crucial for service quality, staff wellbeing, and improving outcomes for those who need support.

With effective planning, the resources are already there to make it happen.

Underspent and Overstretched: The Missed Opportunity in Every Service Budget



Introduction

If you're working in public services right now, you're likely facing some familiar tensions:

- Budget lines are tightly monitored — yet some are still clawed back or underspent at year-end
- Training and development requests are often delayed or declined — even as services struggle with workforce capacity, morale, and retention
- Financial decisions are being made under pressure — but not always with a view to long-term sustainability

This isn't about mismanagement. It's about the unintended consequences of structural habits that have become normalised: budgets managed in isolation, development seen as discretionary, and workforce pressures tolerated as inevitable.

This paper argues for a straightforward change: where underspends exist, however modest, they should be treated as opportunities — and redeployed into staff training and development. Not as an afterthought, but as a strategic choice.

The logic is simple: the single most effective way to protect service quality, retain skilled staff, and reduce long-term cost is to invest in people. The question is not whether we can afford to do so. It's whether we can afford not to.

Underspent and Overstretched: The Missed Opportunity in Every Service Budget



Context

Public service organisations — including NHS trusts, local authorities, and third sector providers — continue to operate under severe and competing pressures. Workforce shortages, rising demand, regulatory requirements, and funding constraints are well known. Less visible — but increasingly common — is a pattern where budget underspends are returned, absorbed, or repurposed late in the year, while training budgets are squeezed or remain untouched.

This isn't always a result of neglect or lack of will. It's often structural:

- Financial systems are not always designed to enable reallocation between budget lines.
- Service leads may hold financial responsibility without meaningful involvement in planning or training in financial management.
- Training is viewed as a secondary cost — particularly under pressure — rather than a tool for prevention, quality improvement, and retention.

The result is a paradox. Services experience workforce strain and rising turnover while underspending in areas that could help address both. Staff development is sidelined, not because it doesn't matter, but because it's seen as optional — or because other pressures feel more immediate.

In 2022–23, over £69 million in Early Years entitlement funding went unspent across 104 local authorities — a stark illustration of how small, disconnected underspends can accumulate into significant missed opportunities.

The evidence is clear. Targeted investment in staff training is associated with:

- Improved morale and retention (CIPD, 2023)
- Reduced reliance on agency cover (NHS Confederation, 2022)
- More consistent and effective service delivery (Health Foundation, 2019)

In many cases, the money is already available. What's missing is the framing, the permission, or the structural support to use it well.

Underspent and Overstretched: The Missed Opportunity in Every Service Budget



Structural Barriers

Workforce development is frequently described as a priority, yet is often the first area to face restrictions when budgets tighten. In many organisations, training requests are paused or scaled back not because they're unimportant — but because they are seen as the most easily deferred.

Meanwhile, underspends occur in other areas of the system. Not because services are overfunded, but because financial rules and reporting practices limit the ways money can be used. Local underspends are often returned to central reserves or offset against broader overspends — rather than being redirected into areas where they could improve workforce capability, reduce risk, or strengthen retention.

Several underlying issues contribute to this pattern:

- Budgeting structures are rigid — making it difficult to shift funding between service lines, even when priorities change
- Training is still seen as optional — rather than integral to service quality, safety, and resilience
- Service managers are rarely supported to plan ahead — particularly if they lack access to regular financial forecasting or don't hold full budget control

Over time, this creates a disconnect: between where the pressure is felt most (workforce strain) and where the investment is directed. Staff are asked to deliver more, in more complex environments, with fewer opportunities for development or support.

The irony is not lost on many leaders — or their teams. Money is being clawed back or returned while morale drops and recruitment becomes harder. That is not a sustainable position.

Underspent and Overstretched: The Missed Opportunity in Every Service Budget



The Opportunity

Redeploying underspent funds into staff development is not a workaround. (I've seen money truly wasted at year end when services have felt under pressure to 'use it or lose it' and panic-buy low-quality products or services. High quality evidence informed training and CPD:

- Equip staff to manage complexity and risk
- Reduce over-reliance on short-term agency cover
- Improve continuity, reduce turnover, and support better outcomes for children and families

Research from the King's Fund, CIPD, and the NHS Confederation all support the case for staff development as a high-return investment. Not just in abstract terms, but through measurable gains in productivity, engagement, and service quality. But investment is only effective if the need is understood. Many teams commission training without a shared understanding of where the gaps are — or what skills, knowledge, or confidence staff actually require to do their work well. Some staff may struggle to identify their own learning needs, particularly if reflective supervision is limited or professional development hasn't been prioritised.

A clear, accessible framework can support this process — helping individuals, teams, and leaders map current strengths and areas for development. Tools like the [Children and Young People's Mental Health Competency Framework](#) can support conversations about capability, ensure training is better matched to need, and reduce the risk of generic or misdirected offers.

This doesn't require large-scale restructure or new budget lines. It requires:

- Early identification of likely underspends
- Clarity that staff training is an acceptable and strategic use of available funds
- A shared understanding of what training is needed, and for whom
- Practical support for managers to make informed, timely decisions and understand financial forecasting

Underspent and Overstretched: The Missed Opportunity in Every Service Budget



Conclusion

The financial pressures facing services are real. But so are the opportunities that go unused. Every underspent line is a chance to invest in something that lasts.

Service budgets will remain under pressure, and scrutiny is increasing as services are asked to find cuts and reduce their spend.

But how money is used — particularly at year-end — is within the influence of local leaders. Investing underspends in staff development is one of the clearest, most immediate ways to protect quality, reduce avoidable cost, and retain skilled staff. It requires no additional funding. Just better use of what's already there.

Underspent and Overstretched: The Missed Opportunity in Every Service Budget



References

1. CIPD (2023). *Learning and Skills at Work Survey*
2. NHS Confederation (2022). *The Value of People: Investing in the Health and Care Workforce*
3. Health Foundation (2019). *Understanding the Health Care Workforce Crisis*
4. NDNA (2023). *Council underspends in early years at highest level at £70m.* [ndna.org.uk](https://www.ndna.org.uk)
5. HFMA (2024). *NHS England delivers balanced outturn despite major cost pressures.* [hfma.org.uk](https://www.hfma.org.uk)
6. The King's Fund (2022). *Staff Development: An Investment, Not a Cost*
7. CIPD (2023). *Impact of Learning and Development on Retention and Engagement*

For more information:

Visit the website:

www.scypf.co.uk

LinkedIn:

www.linkedin.com/company/scypf

Or email:

bookings@scypf.co.uk

