



Industry In Focus

June 2022

# Journey towards financial sustainability for integrated care systems

#IndustryInFocus





# Foreword

**The COVID-19 pandemic has been one of the most significant public health, political, and economic events in recent history. The health and care sector was at the forefront of the nation's response to the pandemic, and for that, we should all be eternally grateful and celebrate the tenacity and dedication of staff within the sector.**

Many of the challenges faced by the health and care system are both widely known and understood. These long-standing issues have been exacerbated by the COVID-19 pandemic, which also brought new pressures. It is from this position that the health and care sector must look to recover.

Troubling times call for reflection, learning, and growth. Recent legislative changes enable places and providers to work together to develop system-wide, integrated care. Under the new regime, partners from across the system are encouraged to build, not buy; collaborate, not compete; and focus on delivering positive health outcomes across populations, not just for individuals.

The sheer scale of the elective backlog (at 6.2m, as of February 2022) combined with unprecedented demand and pressure on emergency services means systems must take stock and develop plans rapidly to limit the compounding effects of these pressures.

It is within this context that we have chosen to frame the most recent iteration of our Road to Recovery series. This, our fourth publication, builds on the previous versions and, as ever, is intended to support health and care leaders to navigate the emerging landscape, and capitalise on the opportunities it presents.

The intention of this report is to communicate with system partners agnostically; seeing the health and care sector as one integrated service, supporting entire populations in achieving better health outcomes.

With this in mind we believe that the immediate future will likely include:

- **Navigating uncertainty:** legislative changes typically bring a combination of challenges and benefits, both expected and unforeseen. Navigating these changes, whilst still delivering exceptional services for patients, will require alignment and focus;
- **Balancing priorities:** as the financial agenda returns, systems will need to balance this requirement with important but sometimes contradictory priorities; and
- **Capitalising on legislative changes:** partnership working has long been an ambition within the health and care sector. New legislative changes should act as an enabler to deliver integrated care on a system-wide basis.

Over the past two years we have seen some amazing work from staff who work in and around the health and care sector, and their dedication should continue to be celebrated for many years to come. During this time we have stood shoulder-to-shoulder with the health and care sector. We have supported systems in setting up Nightingale sites, supported delivery of the largest vaccination programme in the nation's history, worked at the centre of government on critical policy matters, and supported the nation's COVID testing capabilities.

Our business has always focused on recovery and now more than ever, we are ready to apply the learnings from the last two years, combined with our expertise in operational and financial improvement, and journey with systems into the new world.



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# Executive summary

## National context and outlook

Prior to the COVID-19 pandemic, health and care systems were grappling with a number of long standing issues. Demographic shifts (for example, an aging populations with complex health needs) has, for a long time, driven demand for health and care services. Systems struggled to meet this demand due to staffing shortages and an ever tightening financial envelope. COVID-19 brought new challenges such as increased sickness, staff burnout, growing waiting lists, supply shortages, and reduced capacity due to infection control measures. These have had a compounding effect on existing issues.

But now the impact of the pandemic is slowing, the health and care sector must look to the future. There are opportunities to capitalise on; improved system working, new relationships, legislative changes, and new funding settlements. Systems should seek to explore how these can be harnessed during their formative periods.

Both the challenges and opportunities facing the health and care system nationwide seem daunting. However, local systems will drive recovery through their clinical strategies, workforce plans, digital strategies, and operational planning.

Partners from across the system must work together to learn and grow from the experiences of the past two years. This should include formulating integrated, resilient, and holistic services which span beyond organisational boundaries and support populations in achieving ambitious health outcomes.

All of this must be achieved while sustaining a balanced budget.

## Key success factors

In order to move forwards, systems will need to balance a multitude of sometimes competing priorities. A key element of this will be combining financial sustainability with transformational change, adapting to integrated working and delivering scalable and resilient system benefits. From our experience of working with systems and individual providers and commissioners, we have identified a number of 'key success factors' to achieve efficiencies and ultimately financial sustainability.

These factors provide a robust framework for organisations to work together to identify and implement a programme of change. We have set out our thoughts across four key themes:

**Understanding the size and key drivers of the challenge:**  
Ensuring a system-recognised starting point and alignment on the drivers.

**Building a financial sustainability programme:**  
Developing the appropriate architecture and governance to generate, develop and deliver transformational schemes.

**Critical enablers:**  
Providing teams with the support needed to progress the programme – ensuring the workforce, digital transformation and data insights, estate, procurement and supply chain, and engagement support is mobilised.

**Leadership and governance:**  
instilling important values and behaviours, including accountability, being driven by data, and working towards shared outcomes.

These should all be considered at the planning phase, as systems seek to embark on implementing a programme of this nature. This will help to ensure all partners are aligned on objectives and outcomes.

## Actions to consider

Once the system is aligned on objectives and outcomes, partners should consider what next steps could be taken, over what timescale. Aligned to the critical success factors, these include:

Actions include undertaking a system financial baseline and drivers of deficit exercise. These activities will help identify high-priority areas of opportunity.

Actions include implementing a system Programme Management Office (PMO) to oversee delivery and drive system-wide reporting and assurance. This would provide the necessary architecture to drive a programme of this scale.

Actions include data sharing agreements, agile data analytics, and alignment in workstream support from corporate colleagues.

Actions include centralised communications, channels for addressing risks, and appropriate integration with organisational governance.

Systems should consider these practical next steps, and the timelines associated to deliver, in order to build a solid foundation for recovery.



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# 1 Introduction

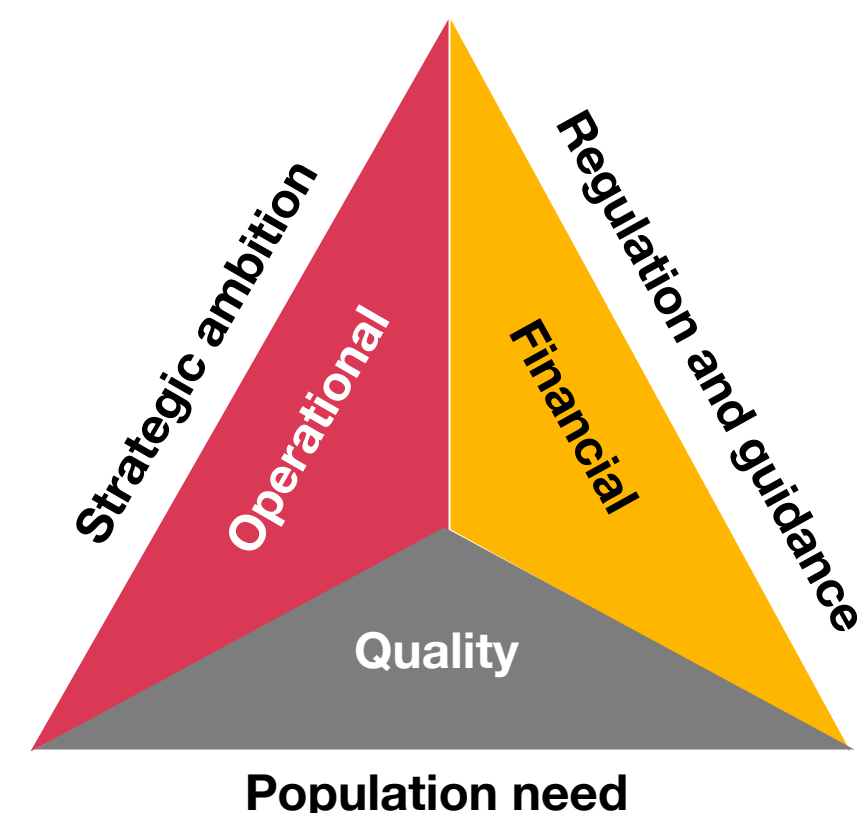


# Introduction

This is the fourth of our Road to Recovery publication. Our previous editions have looked at financial sustainability from a provider and commissioner perspective. While the basic principles of approaching financial sustainability remain the same, a changing healthcare landscape and a shift in focus to joined-up care, means delivering financial sustainability requires a new approach.

In this publication we offer a new perspective, and have focused on the practical steps needed to deliver financial sustainability across Integrated Care Systems (ICS). These new structures, built on years of gradual transition to partnership working and further reinforced throughout the pandemic, will become statutory bodies from July 2022. Not only will this require a change in ways of working but also a change in thinking; approaching problems together, rather than from entrenched, organisational positions.

The next 12 months will inevitably be about balancing priorities and revisiting long-standing challenges. As the health and care system moves back to focusing on budgets and financial performance, these will likely come at odds with clinical and operational pressures. Systems must be prepared to work together in balancing these priorities, whilst also achieving other objectives (meeting regulatory requirements and population need).



In this document we have set out:

- The national context and outlook; exploring both past, present, and future
- Our view on the key success factors for achieving financial sustainability as a system
- Some pertinent questions to reflect on at the start of your recovery journey
- Key actions for you to consider in the short, medium and long term when developing your plan.

We hope that you find this document a useful resource in helping address financial challenges irrespective of organisation type. While its focus is on system-wide financial sustainability from an ICS perspective, the principles and approaches outlined in this document are also applicable to quality and operational recovery situations.



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# 2

## National context and outlook





# National context and outlook

On top of exacerbating issues already faced, the COVID-19 pandemic will leave a continuing legacy from which health systems will need to overcome. However, there is hope; relationships built during the pandemic, new funding settlements, and legislative changes could be the key to solving long-standing issues, if harnessed in the right way.

## Pre-pandemic challenges

- **Population demographics:** aging population with complex health needs requiring tailored, multi-disciplinary support.
- **Financial sustainability:** significant system and provider deficits.
- **Workforce pressures:** 1 in 13 roles vacant, creating operational pressures and a significant reliance on temporary staffing.
- **Demand for service:** pressures in ED and missed A&E performance targets, increased non-elective admissions, limited elective care capacity to address a growing backlog.
- **Social care:** insufficient social and wrap-around care capacity impacting the vulnerable populations' ability to live independently.

## Challenges emerging from the COVID-19 pandemic

- **Growing waiting lists:** waiting lists have continued to grow, with a drastic increase in patients waiting for longer than 12 months.
- **Staff sickness:** staff sickness remains high, increasing the reliance on temporary staffing.
- **Long COVID:** approximately 1.2 million people are currently living with long COVID who will require tailored, potentially long-term care.
- **Burnout:** staff and services have been stretched during the pandemic which will have long lasting consequences in staff morale and wellbeing.
- **Financial pressures:** the easing of financial oversight has loosened grip and control, non-recurrent monies will be challenging to remove from cost-bases, and deficits are emerging at provider, system, and national levels.

## Opportunities to harness

- **Relationships:** the pandemic forced systems to work closely. This put years of integrated working to the test, and will offer long-term benefits if embraced and sustained.
- **Legislative change:** the Health and Care Bill (2021) proposes changes that will support the further reinforcement of partnership working.
- **Funding settlements:** new financial settlements tackling the elective backlog, diagnostic capacity, and social care have been finalised, enabling the development of innovative partnerships.

## Future outlook

- **COVID-19 uncertainty:** the risk of new variants remains, as does the risk of local outbreaks (and the impact this has on capacity).
- **Financial agenda:** NHS England & NHS Improvement has requested a balanced-budget submission from systems. This will require a delicate balancing of priorities as services grapple with backlogs, sickness, burnout, and more.
- **Impact of changing legislation:** it is not clear what changes systems may witness in ways of working. This will likely differ between systems, as new models are tried and tested.





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## Key success factors

# Introducing the key success factors

From our experience of working with systems and individual providers and commissioners, we have identified a number of 'key success factors' to achieve efficiencies and ultimately financial sustainability.

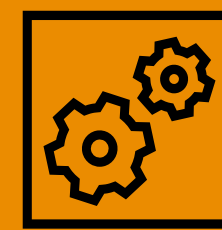
These factors provide a robust framework for organisations to work together to identify and implement a programme of change. We have set out our thoughts across four key themes, before exploring these factors in more detail across this section:



## Understanding the size and key drivers of the system challenge

Collective understanding across system partners of:

- the underlying deficit and the size of the current and future financial challenge
- the key drivers of the challenge (quantitative and qualitative)
- what is within and outside the control of any one organisation vs the system as a whole.



## Building a financial sustainability programme

A system-wide programme needs to combine organisational and system-level approaches to:

- eliminate inefficiency, supported by developing a system-wide governance architecture
- the programme of change should focus on redesign of cost affecting healthcare pathways, taking a data-driven approach with capability to track delivery across organisations
- these approaches will support the development of a rich pipeline of schemes that drive transformation, positive patient outcomes and financial sustainability.

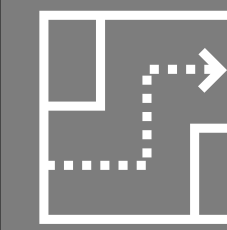


## Critical enablers

Any successful transformation or financial improvement programme needs to be underpinned by a number of key 'critical enablers'. Our top five drivers are:

- Digital transformation and data insights
- Estates
- Procurement and supply chain
- Workforce
- Communication and engagement.

There are other important cross-cutting themes which systems should also consider, for example, population health management and health inequalities, but these have not been explored in this document.



## Leadership and governance

Effective and cohesive leadership to catalyse stakeholders with:

- clear roles and responsibilities
- collective accountability
- scrutiny and challenge
- effective and cohesive team working
- effective board oversight and assurance
- clear committee structures and approaches for escalation
- robust high-quality information and reporting.





# Understanding the size and key drivers of the system challenge

In order to develop a system financial sustainability programme, it is important to first understand the overall financial position within each organisation and then as a consolidated system. By understanding the underlying financial position and drivers of the financial challenge, a system can then design an appropriate response and interventions to address these specific issues.

Aligning baseline assumptions across organisations should be a key consideration for system partners, such as demand and activity growth, inflation, and service changes. It is critical that system planning is transparent and well-coordinated to establish an accurate financial baseline position and to understand key deficit drivers.

We have set out five steps to establish the collective understanding of a system's financial position and to develop plans to address the challenge.

1

**Understand the system's financial position:** System partners should undertake a financial baseline exercise. This sets the basis against which you can measure success and the impact of the interventions.

2

**Identify the causes and drivers of financial performance:** Engage with all system stakeholders to gather hypotheses to be tested, considering quantitative and qualitative drivers of financial performance. Assess the impact of each and determine whether the solution is within or outside the control of any one organisation and then collectively within the system. It's important to note that although organisational benchmarking is a mature field, system benchmarking is still being refined, and therefore systems must look to peers and other comparable systems to gather benchmarking insights.

3

**Assess improvement opportunities:** Once the drivers of the financial position have been identified, design interventions in response. Improvement opportunities should be developed within organisations and at a system level (see next page for definitions and examples). It's worth noting that in our experience, the size of the deficit often far outweighs the benefits that can be derived from minor service changes and, therefore, larger scale, digitally-enabled transformation should be a key factor when prioritising opportunities.

4

**Agree system priorities:** This will support systems in building alignment between partners, prioritising the highest-priority areas, and best utilising finite resources.

5

**Build opportunities into individual organisation and system-wide improvement plans:** Plans should be detailed and operationally focused, containing all the necessary information regarding outcomes and benefits. It is critical to capture all essential reporting criteria from the outset and to ascertain what proactive measures could be instigated if plans go off-track.



Click here to the  
key actions





# Levels of system savings

In our experience, there are three levels of savings schemes that systems need to consider when formulating their plans.

Each level needs robust governance in place to ensure strong oversight and to ensure that financial efficiencies can be realised. As the 'level' of the scheme increases, so does the potential savings opportunity. This must be balanced against the increasing complexity of delivering these schemes as they also need a greater degree of collaboration between partners.

Systems should be able to deliver a balanced budget using a combination of level 1, 2, and 3 schemes. However, increasingly, new national guidance is being issued which is intended to help systems make further efficiencies. We have classified these schemes into 'level 4'. Although these developments cannot necessarily be relied on to support the delivery of a balanced budget, systems should remain appraised of these developments in order to maximise any opportunities.

It's important to note that the drive for further efficiencies is an annual ask (and has been for many years). Using a combination of these types of savings which are both recurrent and scalable will help systems in delivering future targets. For example, a scheme to align and merge pathology services across a system-footprint could iteratively incorporate new specialisms, and thus provide an opportunity to gradually increase the benefits realised.

**Level 4:** Legislative, policy or national guidance change

**Level 3:** System delivery, system benefit

Example: Early intervention and prevention, merged back office functions

**Level 2:** System delivery, organisational benefit (or vice versa)

Example: GP peer review, Discharge to Assess (D2A)

**Level 1:** Organisational delivery, organisational benefit

Theatre optimisation, outpatient productivity

All levels of saving are required to deliver a balanced budget

Increasing complexity as the levels increase



Click here to read actions to consider







# Examples of efficiency savings across the system levels

Each organisation will be familiar with delivering level 1 savings. These schemes are developed and delivered by the organisation, for the benefit of the organisation.

Due to the multi-organisational nature of level 2 and 3 schemes, a different architecture and approach is required. Below we have included some examples of level 2 and 3 schemes, outlining how system partners would work together to either deliver benefits for a single organisation, or deliver benefits for the system as a whole.



## Demand management in outpatients

Primary care, secondary care

- This scheme looks to utilise the newly created Primary Care Network (PCN) architecture to benchmark referral rates, adjusted for list size and population demographics, to identify variation in referral levels
- PCNs should be encouraged to review this information and work with other care professionals to determine the appropriateness of referrals into secondary care
- This scheme would complement activity in secondary care to promote the use of advice and guidance and conferrals to mitigate inefficiencies from both the demand and supply side.

### Benefits

Estimated 10% – 30% reduction in primary care referrals into secondary care (estimates range significantly by speciality)<sup>6</sup>.

## Enhanced Care in Care Homes (ECCH)

Care homes, primary care, community care, secondary care, pharmacists

- This scheme looks to reduce emergency admissions from care homes. This cohort accounts for, on average, 7.8% of all emergency admissions from 0.4% of the population. This patient cohort typically has a long length of stay when admitted
- This programme involves care homes, primary care and community care working with secondary care to analyse attendance types and explore what preventative measures could be piloted to reduce emergency activity.

### Benefits

Up to a 27% reduction in non-elective admissions from care homes<sup>7</sup>.



## Implementing Optometry-first pathways

Primary care, secondary care, independent sector

- This scheme looks to utilise high street optometrists to deliver low acuity eye care activity
- The pathway starts in primary care, with GPs and Optometrists referring patients to a triage centre, enabled by technology, to support remote triaging and diversion away from secondary care
- In order to implement this approach, system partners would need to work with high street Optometrists to identify participating practices, and establish a triaging infrastructure.

### Benefits

Estimated 10% – 25% reduction in eye-related ED attends and reduced Ophthalmology outpatient activity<sup>8</sup>.

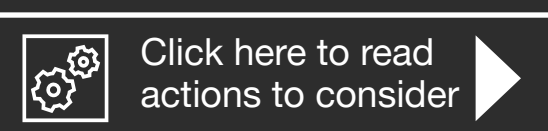
## Implementing agile spend-cube analytics

All areas of the system

- Fragmented data from all purchasing, estates and finance systems is rapidly and accurately assembled into big data allowing millions of transactions to be categorised into categories for insightful analytics
- This scheme goes beyond simple price-benchmarking and rapidly catalyses savings identification and delivery across the system through 'off the shelf' and system-specific custom analyses
- Total transparency is created across all areas of the system including categories of spend, suppliers and savings hotspots
- This approach enhances cross-functional collaboration, accelerates tactical and strategic savings delivery, and fuels value based procurement.

### Benefits

Estimate 5%+ saving across all addressable non-pay spend categories.  
Creation quick win and long-term saving pipeline.



<sup>6</sup> Cooper, R. 'How peer review reduced GP referrals by 25% in two months.' Pulse 72.10 (2012), P. 31

<sup>7</sup> The Health Foundation, 'Emergency admissions to hospital from care homes: how often and what for?', July 2019, p. 2

<sup>8</sup> Blog: 'Achieving 2020 vision in London's eye health – David Parkins', March 2016. URL: <https://www.england.nhs.uk/london/2016/03/22/david-parkins/>



# Building a financial sustainability programme

There are several essential factors to ensure effective management of a system-wide financial improvement programme. These support the development of a rich pipeline of schemes that drive transformation, positive patient outcomes and financial sustainability.

## Developing system-wide governance architecture

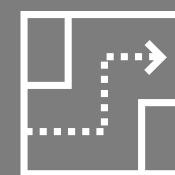
System financial improvement plans need to be supported by a governance and assurance architecture which gives all system partners confidence that the programme is being developed and delivered to schedule, and is achieving its intended outcomes. The structure must also operate in harmony with all organisations within the system, incorporating operational, clinical and financial input to ensure the scheme is robust and has the correct level of sign-off.



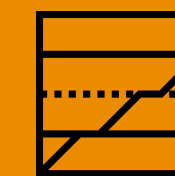
## Establishing a system programme management approach to drive change

A robust system-level programme management approach should be developed to provide central oversight and coordination. This function should also be a repository for development and delivery, providing a singular view of progress and performance for system leadership.

Furthermore, it is essential that the system approach is closely aligned to and integrated with provider-level approaches and governance structures to streamline delivery, drive momentum, and support the rapid escalation and resolution of risks.



## Delivery and management of a financial sustainability programme



## Data driven approach and the capability to track delivery across organisations

The programme must be informed by accurate financial and non-financial information to track key performance indicators (KPIs), and ultimately monitor performance versus plan and the delivery of intended outcomes. This data architecture must be in place between organisations, ensuring one version of the truth is reported at all times. System working also adds an extra layer of complexity, as the organisation benefiting from a scheme may not be accountable for delivery (and vice versa).

## An integrated and data-driven approach to generating scheme ideas

The generation of system efficiencies should be continuous, with involvement of operational, clinical, and financial stakeholders representing a variety of different organisations operating within the system. A best practice approach is to hold dedicated workshops to discuss options, review innovative approaches from across the country, and review benchmarking, in order to generate these ideas. This needs to be data driven, patient focused, and organisationally agnostic.



Click here to read actions to consider







# Critical enablers

For any system to work cohesively there will be key enablers that form the foundation of any system-wide transformation. Systems need to recognise them and incorporate them into any system planning focused on transformation, efficiency, and financial sustainability.



## Digital transformation and data insights



## Estates



## Procurement and supply chain



## Workforce



## Communication and engagement

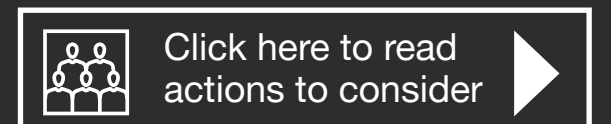
- To work across the system and access shared patient records, data-sharing agreements and common governance will be fundamental to collaborative system working
- Using technology (in clinical or administrative capacities) will be essential to increase efficiencies and minimise duplication of effort
- Similarly, using a single data source / output for system reporting to ensure 'one version of the truth' will help align system partners
- Systems should also explore cutting edge innovations in artificial intelligence, machine learning and advanced analytics. This would enable systems to better utilise the vast amounts of data produced and ensure that this data is being 'mined' for insights.

- There will be opportunities to pool the existing estate infrastructure to give more options for estate planning / repurposing / innovation, including 'value for money' assessments and plans for costly estate upgrades / maintenance. Having a system-wide view of this will greatly aid the options appraisal process.

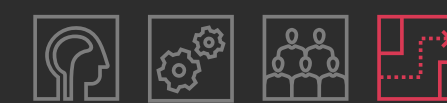
- Systems should build procurement and supply-chain into transformation and cost-saving thinking.
- Savings across the system will be uncovered by rapid and agile procurement data analytics coupled with situation-specific savings levers.
- The effort-reward outcome improves significantly when savings and value initiatives are scaled across system-wide consolidated spend. Identify quick win savings and build from there by simplifying supply bases, identifying and strategically managing common suppliers, creating and implementing system wide value based procurement programmes. Procurement advances beyond price benchmarking and actively contributes to system financial strength.

- System working to assess the existing arrangements and create alignment and consistency, regardless of the place of work e.g. temporary staffing payments, job planning, overtime, etc. to ensure equity and that staff feel equally valued
- There will be opportunities to create staff pooling across the system to upskill and train, to share best practice, and give all staff the opportunity to develop
- Building from learnings during the pandemic and the vaccination programme, the continued use and expansion of initiatives such as: staff passports, memorandums of understanding and other flexible staffing mechanisms will be key in maintaining a sustainable workforce and ensuring equitable access to services system-wide.

- The move towards system working will be a step change in most systems across the country. Ensuring that everyone is kept up to date of progress, news (particularly sharing successes), and insights will help them feel 'part of the journey' and ultimately more invested
- Ensuring that all system partners are engaged and have a voice will be key in longer-term sustainability of the system architecture.



Click here to read actions to consider



# Leadership and governance

Establishing rigorous governance and strong leadership are essential enablers for all health organisations and systems to develop and deliver financial sustainability plans.



## Accountability

Governance should be complementary and collaborative to ensure conversations and functions are not duplicated, and that decision-making is clear, legitimate and expedient.

Where appropriate, decision making forums and check and challenge meetings within organisations should follow a complementary format, and decisions made should be shared with relevant partners.



## Multi-disciplinary leadership

Strong clinical, operational and financial leadership will play a vital role in achieving overall system sustainability. Aligning financial priorities within operational and clinical management will be key to balancing system-priorities and ensuring decisions are made in the best interests of patients.

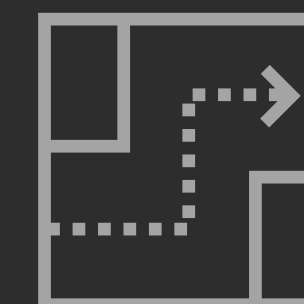
Managing financial improvement across a system may well need different leadership skills and behaviours to support both alignment and any necessary areas of compromise.



## Inclusive relationships

Creating an inclusive and adaptable working culture and building on strong working relationships across the whole system helps to achieve the desired common goal of sustainable delivery clinically, operationally, and financially.

Discussions on this topic should take place in 'open and safe spaces' allowing representatives from different disciplines to raise concerns and resolve issues in an evidence-based and organisationally agnostic manner.



## Outcomes driven

Ensuring organisational and system-wide strategies are effectively executed and planned outcomes are delivered at the right pace to meet the required timescales.

Delivery should also be mapped against planned outcomes, ensuring that a consistent view of expected metrics can be tracked, which has been agreed between system partners.

These metrics should be data driven, ambitious but achievable, and ideally derived from multiple data sources (to build trust and the sharing of relevant information).



# 4

## Actions for you to consider





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# Understanding the size and key drivers of the system challenge

## Have you considered...

### What:

Whether all partners are working from a single system baseline, and an aligned view of the current financial position?

### Why:

As partners in a system, each or organisation should be familiar with the financial position of the system and what's driving this position.

### How:

Undertake a system financial baseline and drivers of the deficit exercise.

### What:

How your organisation's deficit compares with others with a similar size and demographic?

### Why:

Organisations of a similar size, structure, and population demographic are a valuable source of insights, and this approach should be a valuable source for identifying efficiencies.

### How:

Benchmarking (Model Hospital, Menu of Opportunities, Reference Cost Indexing, RightCare, etc.)

### What:

The positive and negative drivers of deficit in your organisation and which of these could have a cross-system solution?

### Why:

Decisions taken by individual organisations often have upstream or downstream impacts, which create pressures for the system. Systems should work collaboratively to address these.

### How:

Options appraisal of system interventions and impact.

### What:

How your system deficit compares with other ICSs of similar size and demographic?

### Why:

As with organisations, systems with a similar size, structure, and population demographic, should be reviewed. Although this is an emerging domain, it does invite collaboration and sharing lessons learned between systems.

### How:

Model Health System, other types of system benchmarking, participating in knowledge sharing between similar systems.





# Building a financial sustainability programme

## Have you considered...

### What:

How you will positively relaunch an improvement and efficiency-based culture, and bring financial thinking back to the forefront, post-pandemic?

### Why:

The pandemic has diverted attention away from financial performance and control, enabling clinical and operational leaders to focus during the pandemic. As financial monitoring returns, and non-recurrent funding cease, leaders will need to bring financial performance back on the agenda, despite operational pressures and staff fatigue.

### How:

Ongoing staff communications and engagement, transparency regarding targets.

### What:

How your organisation will actively monitor identification, design and implementation of all financial improvement schemes?

### Why:

Organisational and system monitoring will need to complement each other to avoid complications, duplications, or inconsistencies which hinder efforts to report efficiencies centrally.

### How:

Standardise templates, structures, reporting frameworks. Consider centralising delivery into a system-wide PMO or equivalent function.

### What:

How many level 2 and level 3 schemes your organisation has? How are these schemes impacting your functions / services?

### Why:

A renewed focus on system working calls for partners to look to each other to provide assistance and support in overcoming organisational pressures. This not only reflects the changing landscape, but is a sign of system maturity.

### How:

System-wide sharing of planned financial improvement schemes (collated and reviewed by a central PMO or equivalent team).

### What:

What processes for accountability and reporting are in place to track KPIs and financial delivery across level 2 and level 3 schemes?

### Why:

Organisations within a system will need to provide frequent updates on progress and benefits in order to satisfy different organisational governance requirements. Ensuring this is right from the start will provide consistent assurance across the system.

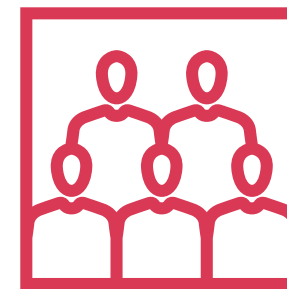
### How:

Maintaining a singular tracking system for all system-wide schemes and initiatives, reporting consistent indicators and driving central reports.

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# Critical enablers

## Have you considered...

### What:

What you already know about your organisation's data sharing / data alliance agreement with your system partners?

### Why:

Data sharing agreements are central to creating a singular view of system wide performance, progress, and priorities.

### How:

Data sharing agreements in place and ratified by system partners, a framework and plan for developing a singular system-wide view of key information.

### What:

Whether your organisation has the best placed estate to be a specialist 'hub' for certain services, or whether you could envision services being moved to another site?

### Why:

Greater partnership working presents opportunities for back-office and estate rationalisation. This could free up space, allowing for it to be disposed of or repurposed.

### How:

System-wide estates rationalisation workstream (aligned to any back-office rationalisation work currently underway).

### What:

Whether you have identified any processes / functions that could warrant reduced effort or duplication through technology?

### Why:

New innovations in technology offer unprecedented opportunities to improve efficiency and productivity. Any productivity gains could enable repurposed capacity if harnessed in the right way.

### How:

Work with system partners to develop a system-wide digital roadmap and capitalise on recent technological innovations.

### What:

What can be done as a system to reduce the reliance on temporary staffing, and reduce levels of premium spend?

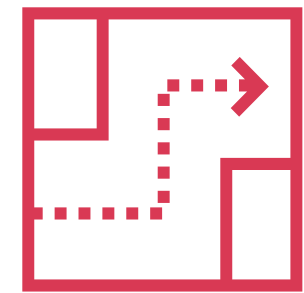
### Why:

With a current establishment vacancy rate of 7.2%, and unprecedented demand, the workforce crisis within the health and care sector will not be going away anytime soon. Working together to address this should be a key focus of systems.

### How:

Standardisation of rates, market management of temporary staffing providers, standardised HR policies (where appropriate), implementation of a system staff passport, etc.





# Leadership and governance

Click here to return to  
3: Key success factors

## Have you considered...

### What:

Whether you have strong governance in place to provide oversight, assurance, consistency and actively monitor progress?

### What:

How the timescales and strategies currently outlined will be met in achieving the required outcomes needed for recovery?

### What:

If your organisation's working culture is the best it can be? Whether it is an inclusive environment with a flexible approach to adapt as guidance / national steer dictates?

### What:

Whether the relationship across your system are sufficiently mature in order to have challenging conversations about financial improvement?

### Why:

System partners will need to hold each other to account, regarding the development and delivery of schemes, in order to achieve shared objectives.

### Why:

Although most systems will have a relatively consistent view of the current cycle of business (i.e. planning guidance), most system-wide initiatives will not be aligned to this (for example; any system-derived improvement initiatives should be integrated into planning submissions).

### Why:

The health and care landscape is changing, and will continue to change. Not only will teams need to overcome any historic delineations (i.e. commissioner vs. provider), but they will also need to remain flexible as the legislative and policy landscape becomes clearer.

### Why:

Some of the opportunities identified will undoubtedly require changing established practices, and may require service redesign. The ramifications of this may be difficult for affected organisations to support. If organisational willingness is absent, or the necessary structures are not in place to support frank discussions, challenging initiatives may struggle to gain necessary traction.

### How:

Implementing the appropriate governance structure and forums at executive, programme leadership, and workstream levels.

### How:

Embed a close working relationship between the system planning functions and any system-wide financial sustainability programme.

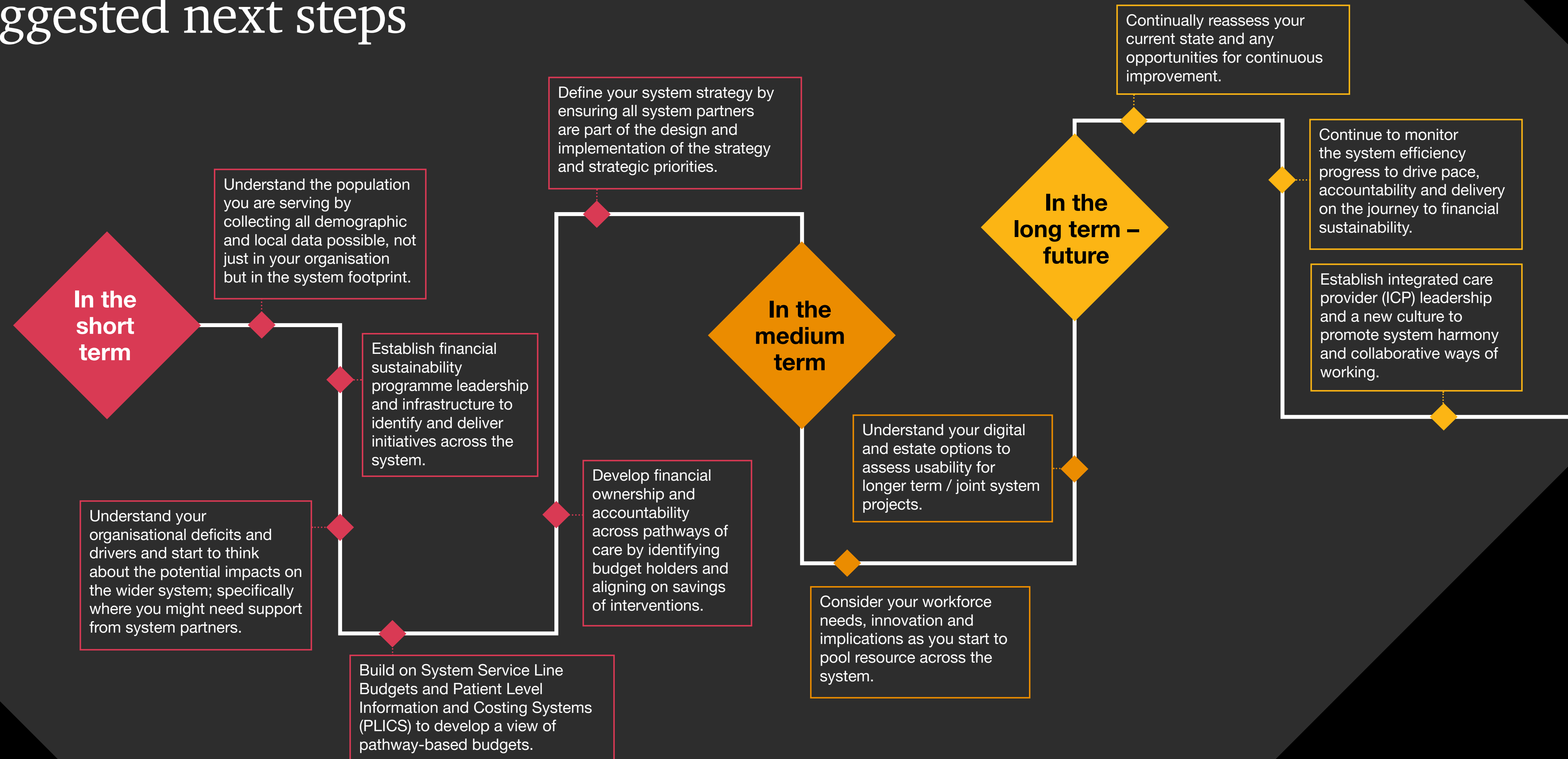
### How:

Ongoing staff communications and engagement, system-wide briefings.

### How:

An appropriately staffed structure with forums for accountability, resolving disagreements, and managing interdependencies.

# Suggested next steps





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