NHS Financial Improvement:

Learnings and critical success factors

PwC
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Here with you today

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Our commitment to the region

#1 Social Mobility Employer Index 2024

S_CIAL MOBILITY F_UNDATION

Ranked #1 in the 2024 Social Mobility Employer Index.

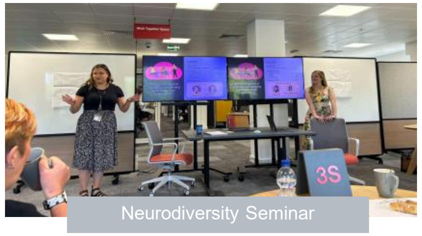
- Industry partner supporting the Cardiff Commitment, Careers Wales' Experience of Work, Business in the Community Cymru, and TechSheCan's TechWeCan programme.
- Delivered the first TechWeCan Schools session in Welsh.
- **PwC-led initiatives:** New World New Skills (schools' series), PwC Paid Work Experience (targeting lower socio-economic pupils), and partnership with the Welsh Refugee Council.
- **Inclusion networks:** Black Network, Disability Awareness Network, and Gender Balance Network — inspiring and supporting diverse talent.

> We are committed to prioritising social mobility and providing high skilled pathways to underrepresented talent.

PwC Programmes


Welsh Refugee Council


Women in Business Placement


Neurodiversity Seminar


New World New Skills

PwC Partnerships

The Cardiff Commitment Addewid Caerdydd


Careers Wales


Butetown Industry Night

BUSINESS IN THE COMMUNITY

tech she can

Gyrfa Cymru Careers Wales


TechWeCan

New World New Skills	Cardiff Commitment	TechWeCan	Volunteering
650+	**100+**	**541**	**2500+**
Individuals participated in NWNS schools' series & work experience	Individuals reached via outreach programmes partnering with PwC	Children inspired by technology via classroom led lessons	Hours invested in the community by PwC Wales

**Within PwC Wales in 2023*

Questions for the audience

1. How confident are you that your organisation will hit its control total?

2. What are the biggest barriers to good financial performance in your organisation?

Global healthcare dynamics

66%+

over 65 with 2+ long-term conditions

Multimorbidity drives complex care, polypharmacy and costs; it reduces productivity and increases unplanned admissions

$2.3tn

projected medicines spend by 2028

Structurally higher input costs and flat-to-modest productivity mean spending will outpace GDP, tightening fiscal space

10mn

estimated global shortfall of health workers by 2030

Workforce is the binding constraint on throughput, quality and productivity; limits the impact of capital and tech

70%+

of OECD populations expect digital access

Citizens expect convenient, digital, and timely access; poor access and waits erode trust and drive self-pay/substitution

Given flat-to-modest productivity since the pandemic, the gap between demand and capacity widens unless systems deliver sustained improvements in flow, capacity utilisation, pathway redesign and digital enablement.

For Wales, these global dynamics are amplified by a relatively older population profile and geographically dispersed services, underscoring the need for targeted productivity improvements, prevention, and value-based pathways to enhance access and restore financial sustainability.

Context

Financial position in Wales and new oversight framework financial override

Welsh Context

Health Boards continue to report material underlying deficits despite non-recurrent support. Pay awards, high-cost drugs and energy inflation have driven significant in-year pressures.

Whilst the trajectory has improved year-on-year, 38.7% of savings were non-recurrent in FY24/25; continuing to create financial challenges in future years.

Although the deficit had improved by c.£60m from FY23/24, only 30% of Welsh Health Bodies achieved financial balance in FY24/25.

The NHS Wales Oversight & Escalation Framework

Wales uses a clear, staged escalation model Welsh Government's Oversight and Escalation Framework sets out five levels of oversight, underpinned by principles of transparency, earned autonomy, and compassionate leadership.

Assessment triangulates quality, planning (including finance and workforce) and delivery, with a strong emphasis on quality, safety and value-based healthcare.

Organisations are required to achieve 2% (minimum) efficiency savings against total expenditure

These savings are split between cash-releasing measures and productivity gains. The financial targets are part of a broader set of goals outlined in the NHS Wales Planning Framework 2025–28 and defined (ministerial) enabling actions.

6 organisations are at level 3 or above for financial performance

50% of the organisations that constitute NHS Wales are subject to enhanced monitoring (or more), with one of the primary indicators being financial performance.

De-escalation has been limited from Mar 2025 – July 2025

With the exception of one LHB, all other organisations previously in level 3 or above (with finance as a key indicator, March 2025) have retained that status or been deemed to have deteriorated (as at July 2025).

Board-level critical success factors for financial sustainability

As NHS organisations face mounting pressures from rising demand to tighter budgets, financial sustainability isn't just a finance issue, it's an organisation and system-wide imperative.

- **Strong Board and Executive leadership**
- **Clarity on accountability, expectations and imperatives**
- **Think in-year and longer term**
- **Balance the three-legged stool 1. cost base 2. performance 3. clinical quality**
- **Develop a 'cost consciousness' in the organisation**
- **Honesty of plan and performance against plan**
- **Focusing on outcomes and thinking differently**
- **Embed financial recovery across your priorities**

Financial health is more than just seeking balance / achievement of control totals… but to thrive organisations must not only deliver but do so within their means.

Driving in year financial improvement through organisations

Practical recommendations for a robust control environment and in year financial improvement

1 Enhancing financial control and improvement environment

2 Identifying and implementing

3 Unlock key enablers to efficacy

1

- Ensure proactive executive ownership and delivery of grip and control
- Promote a culture that enables robust grip and control mechanisms
- Centralise control and ensure consistent application of grip and control across the organisation
- Plan early and adopt a continuous improvement approach

2

Establishment management and rostering	**Temporary staffing usage and price**
Waiting list initiative controls	**Medical variable pay**
Non-pay consolidation	**Procurement at scale**

3

Consistency
Engagement
Pragmatism
Monitoring
Clarity

Leadership

Identifying and implementing

Practical recommendations for a robust control environment and in year financial improvement

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Current state

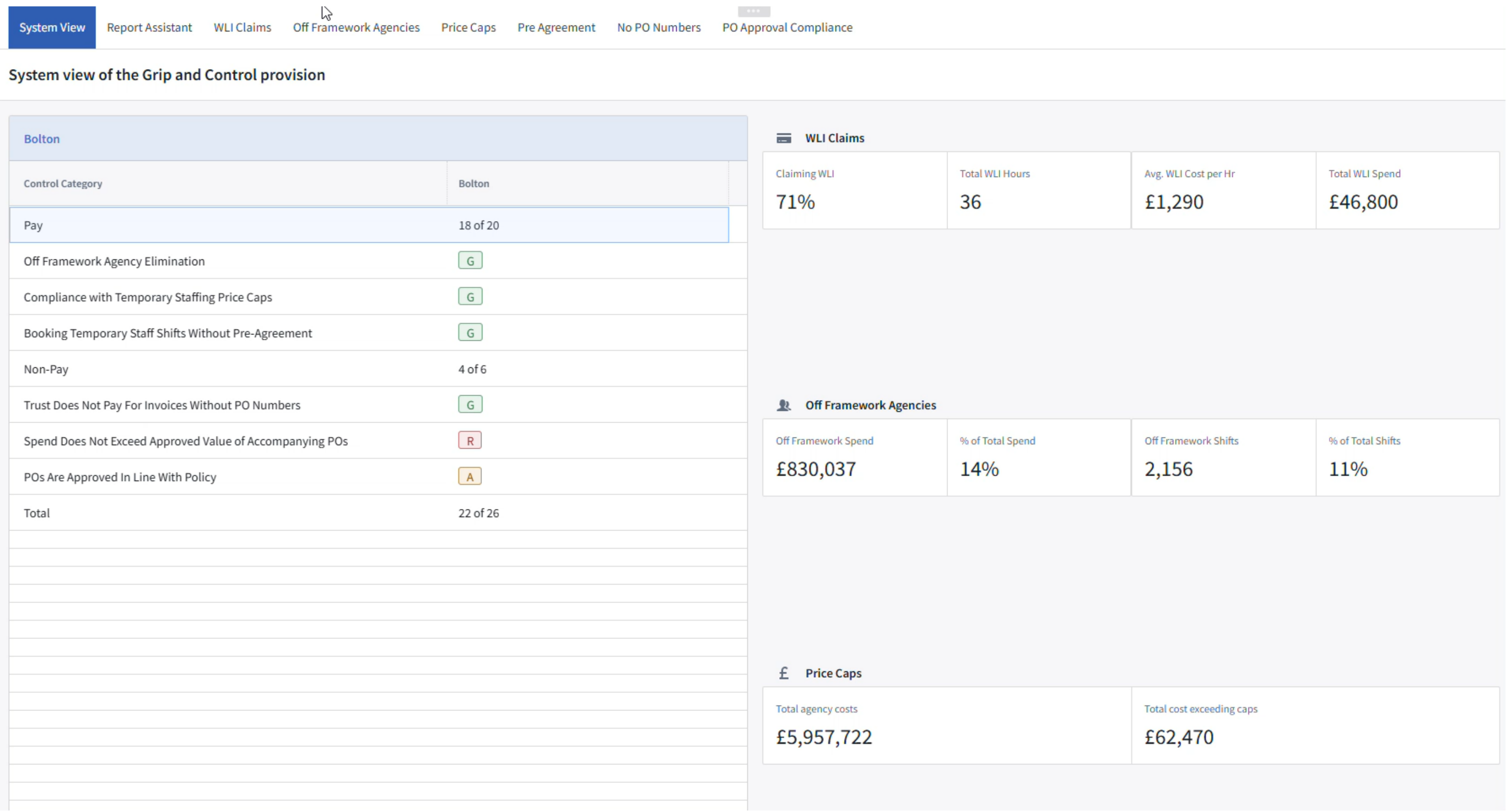
Priority controls and financial governance are too often treated as annual checklists, self-assessments, or audits.

Our solution

As well as our experience of deploying large-scale PMO structures underpinned by divisional/ workstream support – we are developing a digital solution to diagnose and help manage adverse spend levers.

Next step

Working with the NHS FDP programme on exploring the transition of the solution onto the FDP.



Key enablers to improvement

Practical recommendations for a robust control environment and in-year financial improvement

1 Enhancing financial control and improvement environment

2 Identifying and implementing priority controls

3 Unlock key enablers to improvement

Having control, processes and tools in place does not directly correlate to efficacy and there are several enablers to a financially conscious and sustainable organisation.

Clarity	Consistency	Engagement	Pragmatism	Monitoring
• Clearly define roles and responsibilities • Be transparent about your financial performance • Tailor your messaging	• Establish your shared financial principles across the organisation(s) • Apply your principles consistently	• Engage stakeholders to build awareness, secure buy-in, and foster shared ownership • Maintain your communication and engagement plan	• Plan early • Get the basics right; keep processes agile to changing demand • Focus governance, controls and reporting on the "so what"	• Set up monitoring and benefits realisation with rapid feedback loops • Triangulate financial, operational and workforce data

Leadership Strong, effective and visible leadership at all levels is critical to the success of each of the above enablers

Key Takeaways

01

Financial Sustainability is a shared challenge

It’s not just a finance issue, it’s a "Board to Ward" and system-wide priority.

Tackling it requires **input from clinical, operational, digital and tech teams**, not just finance leads.

02

Collaboration and innovation is critical

The most valuable insights come from cross-functional conversations.

Bring colleagues into the dialogue – especially **those driving innovation and transformation**.

03

Evidencing benefit is key

Developing and implementing financial oversight and improvement actions is not the end of the road, **ongoing monitoring of impact is key** to showing the value derived, maintain engagement and balance financials, operations and quality.

Thank you

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