



As we close out 2025 and head into an uncertain 2026, one theme unites every sector we support. Financial pressure is rising while the margin for error shrinks. In this edition, our experts explore what that means on the ground - from private health and pharma leaders navigating funding gaps and wage inflation, to CIOs rebuilding a resilient digital core, to UK video game studios balancing creativity with capital discipline. We also look at how Time-To-Pay tax arrangements can protect cashflow and why new waste regulations for 10+ employee businesses are reshaping multi-site operating models.

## What's inside:

---

**Shaping the Future: Private Health and Pharma Leadership Amid Unprecedented Financial Challenges as 2026 Nears** 2-3  
By Nilesh Prag

---

**How to Build a Resilient Digital Core** 4-5  
By John Addis

---

**Building a Stronger Future for the UK Video Game Industry** 6-7  
By Richard Lever

---

**Time-To-Pay Arrangements in Taxing Times** 8-9  
By Paul Gravatt

---

**What 10+ Employee Businesses Must Do Now** 10-11  
By Alex Kendrick

---

**PSTN Switch-Off: A Compulsory Change Ahead** 12-15  
By Pritesh Patel



# Shaping the Future: Private Health and Pharma Leadership Amid Unprecedented Financial Challenges as 2026 Nears



By Nilesh Prag

As the UK healthcare sector moves into 2026, senior leaders across private healthcare, social care, and the pharmaceutical industry face an unprecedented convergence of financial pressures. These challenges demand clear strategic foresight and operational agility. The ongoing adult social care funding shortfall, which exceeded £4 billion in 2024/25, continues to reshape private sector planning, investment decisions, and partnership strategies.

Local authorities persist in funding only a fraction of the true cost of care. Mounting inflation, successive rises in the National Living Wage, and increasing employer National Insurance contributions have stretched margins to breaking point. Private providers find themselves in tough contract negotiations whilst grappling with escalating wage bills, particularly following mandated pay rises of over 10% beginning April 2025. Concurrently, an increasingly competitive

labour market intensifies recruitment and retention struggles, placing financial sustainability at serious risk for many providers.

Demand for specialised care services is rising sharply, especially among working-age adults with complex needs and children in urgent residential placements. This places private providers at the heart of bridging gaps left by the public sector. The phenomenon of inter-regional care ‘tourism’ adds further unpredictability to capacity planning



and pricing stability. Pharmaceutical companies face similar challenges, contending with inflation-driven cost increases, fluctuating demand, complex commissioning arrangements, and rapidly evolving clinical pathways, all of which contribute to heightened financial uncertainty.

Government hesitation on social care charging reform - including abandoning the lifetime cap on care costs and plans for an enhanced means test - significantly escalates risk levels. In the absence of these protections, patients and families risk facing substantial and unpredictable costs. This 'insurance gap' complicates financial modelling for providers and payors alike, threatening the sustainability of private healthcare products and services.

Financial constraints within the NHS also cast a long shadow over the private sector. Commissioners must deliver a 2.8% pay increase while aiming for 2% annual productivity gains. Private providers are under increasing scrutiny to deliver better outcomes, drive efficiencies, and align with NHS integration goals. Backlogs in elective care and pressures in emergency departments present opportunities for private sector growth, yet also introduce operational volatility and regulatory challenges.

Government funding initiatives such as the Better

Care Fund encourage integration and community-focussed care, creating openings for the private sector to lead in digital innovation and new models of care delivery. Success will hinge on the ability to adapt swiftly to evolving payment structures, such as activity-based and outcomes-linked models. Rising attention to unpaid carers, reflected in enhancements to Carer's Allowance and proposed paid Carer's Leave, signals shifting social care dynamics that may lead to new collaborative opportunities.

For C-suite executives in the UK's private healthcare, social care, and pharmaceutical sectors, the imperative is unequivocal. It is essential to strengthen financial resilience through innovative budgeting and cost management; deepen investment in workforce development to retain talent; pioneer novel care and commercial models; and build strategic partnerships aligned with integrated, outcomes-focused care ambitions. Mastery of these intertwined financial, regulatory, and market challenges will determine which organisations flourish in a period of profound complexity and change.

Leadership must now be decisive and dynamic to shape the future of private health and social care across the UK.

**For more information, please speak to your ERA consultant.**



## How to Build a Resilient Digital Core



By John Addis

In today's fast-moving digital economy, organisations are under growing pressure to modernise while maintaining stability and compliance. Legacy systems, complex infrastructures, and evolving customer expectations make it harder to innovate at pace.

At the same time, regulatory scrutiny, cybersecurity risks, and sustainability demands mean that every technology decision carries strategic weight. The technology stacks that once “just worked” now need deliberate transformation to deliver speed, security, and long-term resilience.

Cloud adoption remains central to this transformation, but success requires more than migrating workloads. As businesses embrace multi-cloud and hybrid environments, many face governance gaps, cost overruns, and

inconsistent visibility. The real challenge lies in balancing flexibility and control - ensuring identity, data, and compliance remain consistent across environments. Those who approach cloud transformation as a broader operational shift, rather than a technical project, will unlock greater agility and value.

Cybersecurity has become a board-level concern, with remote work, connected devices, and third-party integrations expanding the attack surface. Traditional perimeter defences no longer suffice, and zero-trust approaches are becoming essential.



Yet, many organisations struggle with too many tools and too few experts, leaving a gap between policy and practice. Building security into every stage of delivery and practising robust incident response are now fundamental to maintaining trust and continuity.

Data and AI continue to offer enormous potential but also introduce complexity. Fragmented data estates, unclear ownership, and governance challenges can erode confidence in insights and models. Organisations that focus on reliable data platforms, responsible AI practices, and operationalised machine learning will move beyond experimentation and start delivering measurable impact.

Meanwhile, the way technology is delivered is changing. Agile and DevOps practices have matured, but results are mixed. Without alignment across teams, even the best tools struggle to drive organisation-wide progress. Strong observability, automation, and platform engineering capabilities are key to sustaining

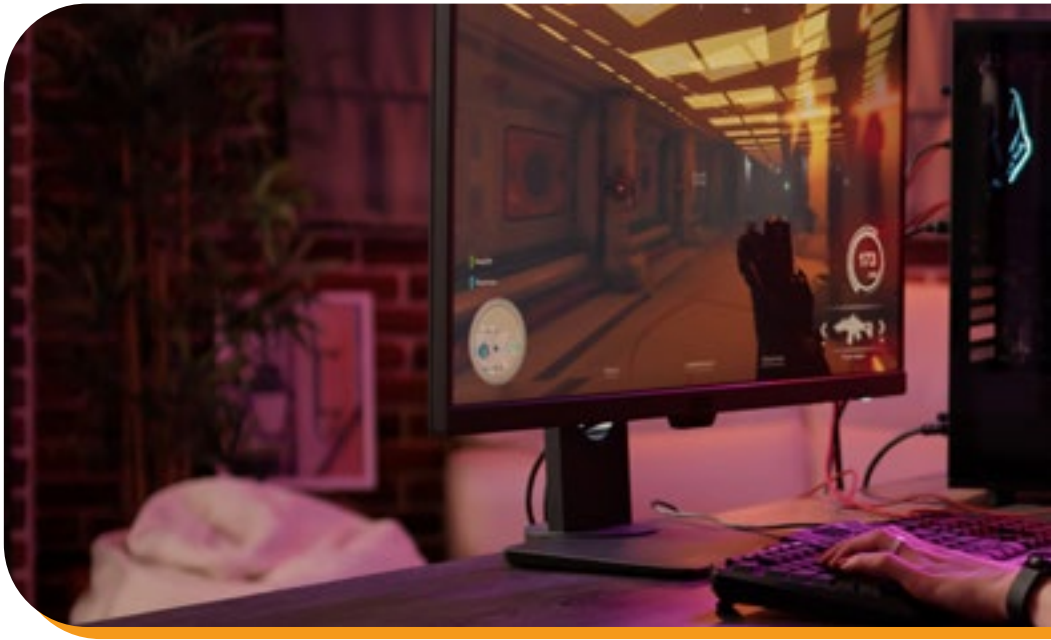
momentum and improving reliability.

Sustainability and cost optimisation are also rising priorities. From reducing compute waste to selecting greener suppliers, technology decisions are now closely tied to environmental goals. Boards and customers alike expect transparency on how digital operations affect carbon and resource use.

Finally, the competition for digital talent continues to challenge every organisation. Maintaining a skilled and motivated workforce requires thoughtful investment in development, flexibility, and culture.

In this complex landscape, success depends on combining deep technical expertise with clear strategy and governance. Organisations that can align people, processes, and technology will turn these challenges into lasting advantage. For many, that journey begins with finding a partner who understands how to bridge ambition with execution - something ERA Group is well placed to deliver.

**For more information, please speak to your ERA consultant.**



# Building a Stronger Future for the UK Video Game Industry



By Richard Lever

**The video game industry contributes significantly to the UK's cultural and economic output, supporting 73,000 jobs in a market worth £7.63 billion in 2024.**

Gaming permeates all age groups and demographics - from mobile gamers on the morning commute to players immersed in AAA titles, VR experiences, and eSports competitions.

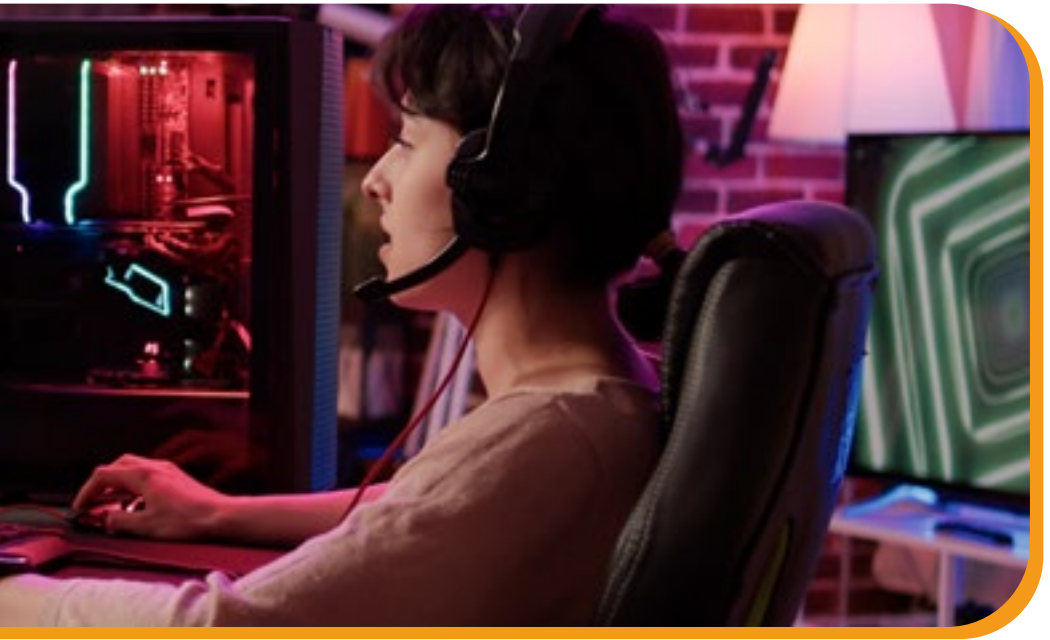
Having doubled in size since 2013, including substantial growth during COVID-19, the market has flattened more recently.

Pressures are mounting on all sides. Beyond the stuttering UK economy and rising operational costs, the industry faces constant disruption:

evolving distribution models, emerging technologies, AI adoption, and discoverability challenges in an oversaturated market.

Global competition is also intensifying. While the UK offers Video Games Expenditure Credit (VGEC), other countries are offering other tax credit schemes and actively developing skills, competing for talent and investment.

The future of the UK video game industry will be defined not only by creative excellence but by financial discipline and operational agility.



**ERA Group has established a dedicated division to help UK video-game developers, publishers, and support services optimise their processes and costs without compromising creative output or project quality.**

The division is led by Richard Lever, a gaming veteran with 30 years' experience running global operations for major publishers and studios including Eidos, Square Enix, and Bethesda (before and after the Microsoft acquisition).

Typical areas of focus for UK games companies include:

- Time & Control – Handling the heavy lifting around research, tenders, implementation and ongoing monitoring, while clients retain approval and control.
- Sector Expertise – Bringing 15–20+ years of category-specific experience, with benchmarking across market rates and emerging best practices.
- Comprehensive Category Coverage – From IT hardware and software (SaaS optimisation and cloud audits) to facilities management, merchant card fees, FX costs, ESG and sustainable procurement, managed print, office supplies, insurance, R&D tax credits, travel, logistics and more.

**For more information, please speak to your ERA consultant.**



## Time-To-Pay Arrangements in Taxing Times



By Paul Gravatt

**In a challenging trading environment, even well-run businesses can experience short-term pressure on cashflow. When this happens, the need to meet PAYE, VAT or Corporation Tax deadlines can create unnecessary strain and divert focus from daily operations.**

A Time-To-Pay (TTP) arrangement with HMRC provides a practical solution. It allows a business to spread its tax liabilities over an agreed period instead of paying the full amount at once. Designed for companies that are fundamentally sound but face temporary difficulties, a TTP arrangement offers a structured and compliant way to manage tax obligations while protecting cashflow.

Companies often approach HMRC for a TTP when cash reserves are tight but there is a more positive long-term outlook. Rather than

simply delaying payment, agreeing a formal schedule with HMRC demonstrates good faith and transparency, and avoids the risk of any enforcement action that might otherwise follow.

HMRC will usually consider the individual circumstances of the business, including seasonality, industry conditions and forward projections. Payment plans can often be tailored so that instalments align with the company's cashflow, easing the burden during quieter trading periods and increasing payments when income improves.



Beyond the immediate relief, a TTP arrangement can be an important step in stabilising operations and restoring confidence within the business. It allows management to focus on running the company rather than firefighting short-term financial pressures.

**Key advantages include:**

- Preserves cashflow by spreading tax payments over manageable instalments
- Reduces the risk of penalties or enforcement action while maintaining compliance
- Demonstrates a proactive and cooperative approach with HMRC
- Provides certainty with predictable monthly outgoings
- Frees management to focus on operations and recovery planning

In many cases, securing a TTP at the right time can mean the difference in reaching a position of long-term sustainability.

Negotiating a TTP requires clear communication, credible financial information and an understanding of how HMRC assesses proposals. Businesses that prepare well-structured forecasts and realistic repayment plans are more likely to achieve favourable terms.

ERA Group has extensive experience arranging and renegotiating Time-To-Pay agreements on behalf of clients. We understand the process, the documentation HMRC expects and the tone of discussion that leads to constructive outcomes.

From the initial proposal through to ongoing management, we can relieve the pressure of dealing with HMRC directly and secure the best possible arrangement for your business. Maintaining flexibility and protecting cashflow have never been more important. A well-planned Time-To-Pay arrangement can be a strategic decision that allows businesses to remain compliant, safeguard liquidity and concentrate on future growth.

**For more information, please speak to your ERA consultant.**



# What 10+ Employee Businesses Must Do Now



By Alex Kendrick

**If your teams haven't felt it yet, they will: new rules have changed how every multi-site business handles waste.**

In April 2025 the waste industry saw a drastic shift in England. The requirement is simple but sweeping: all businesses with 10 or more employees across all locations must now segregate food, mixed recycling and glass. Many expected the threshold to soften - but it didn't -

so the operational reality is higher costs, storage constraints, and process change.

Why the friction? Suppliers weren't prepared - there's been a lack of containers, a lack of skilled workforce, and a lack of vehicles.



ERA's playbook is to de-risk early: get the right containers on site, train staff before day one, and re-test the market so contracts reduce costs where possible while locking in providers that actually fit how your sites operate.

The smartest response treats waste as a managed supply chain, not a utility bill. One client, for example, faced a five-figure secure-destruction bill for mis-labelled polyester dog cushions. Instead, we sourced an agglomeration route where the material is re-melted, cooled and chopped into pellets - a lower-grade output, but with a viable outlet.

**The result: £7,000 of savings from this one solution.** For leaders, the bigger prize is structural. More often than not, waste invoices hide excessive costs because waste isn't owned as a core

responsibility. Teams are busy, it's not a core KPI, and the category gets minimal scrutiny - so prices rise unchecked and unchallenged.

We regularly see £120+ billed for a single wheelie-bin lift that should only cost around £15. Manufacturing is often the richest vein - especially where headcount totals push small sites over the compliance line.

This isn't a marginal housekeeping change; it's a multi-site operating model shift that can either erode margin or fund itself. Move early, treat waste as a controllable supply chain, and look for ways to turn compliance cost into measurable savings - whether through renewed internal focus or support from specialists such as ERA Group.

**For more information, please speak to your ERA consultant.**



## PSTN Switch-Off: A Compulsory Change Ahead



By Pritesh Patel

The UK's legacy copper-based PSTN and ISDN network is being fully retired, with the final switch-off currently planned for 31 January 2027.

Although that may feel distant, telecoms operators urged organisations to migrate well before the deadline (ideally by the end of 2025) - to avoid disruption during the final

phase-out. This recommended timeline has past, and so this needs to be an urgent priority for businesses still using PSTN services.



This isn't just about office phone lines. Many business-critical systems still depend on copper connections: card payment terminals, alarm lines, CCTV feeds, lift/emergency telephony, building management sensors, and older broadband products. Left unaddressed, these services could stop working without warning once the switch-off progresses.

A successful transition usually means moving to fully IP-based services, bringing better reliability and functionality. But there's a practical challenge: the entire UK business community needs to transition - meaning very limited availability of engineers, hardware and installation capacity as the deadline approaches.

#### What leaders should do now:

- Audit every device and service still using PSTN or ISDN
- Budget and schedule replacement projects early
- Prioritise safety-critical and customer-touching systems

**Acting early helps avoid operational disruption and inflated last-minute costs.**



## Software Renewals: AI Is Inflating Budgets

Across the software industry, renewal costs are rising faster than expected. One major reason: vendors are blaming the increased cost of developing AI and embedding capabilities into their products - and resetting pricing models to monetise them.

For many organisations, this means paying more at renewal even if internal teams aren't actively using the AI features. New AI "premium" licenses, usage-based models, and forced upgrades are

turning what used to be predictable operational spend into an increasingly volatile cost base.

There is a commercial logic: AI requires heavy investment in compute infrastructure, data management and security. But the risk for businesses is becoming locked into inflated costs without gaining equivalent value. Of course, some vendors are just citing investment in AI as an opportunity to increase costs!



**What leaders should do now:**

- Review all upcoming renewals for price shifts linked to AI
- Challenge add-ons and bundled features your teams don't need
- Benchmark alternative tools before committing to multi-year terms

Visibility today will prevent unwelcome budget surprises tomorrow - and ensure AI investment only happens where it genuinely supports productivity and growth.

**For more information, please speak to your ERA consultant.**

# MarketINTEL

Insight and market analysis to achieve better value from suppliers



We are very pleased with the work that ERA has done for us. Julian and his team of specialists have found significant savings, provided valuable insights and streamlined our procurement in ways that we didn't have time to consider. They did so unobtrusively, equipping us with the information necessary to make decisions autonomously. We now see them as a trusted advisor for our cost needs and look forward to entrusting them with further projects in the future. ””

MALCOLM GRAY,  
CHIEF FINANCIAL OFFICER,  
THE PRIMARY FIRST TRUST



I recognised the level of expertise that the consultants brought to the table and it became evident that this was not just a benchmarking exercise; ERA has a much broader remit. The logistics specialist spent half a day to ensure he really understood our capabilities and what we could provide for his client. It was this thorough and responsible approach that lead us to appoint ERA to review additional eras of expenditure within our organisation. ””

DAVID SANDERSON,  
JOINT OWNER,  
S&S DISTRIBUTION



Given the results we have achieved and the good spirit of cooperation we have experienced, I can't recommend ERA highly enough. I think many companies can get much more than just great savings out of an ongoing partnership with ERA. It is about having control over external costs and by consulting experts like ERA, within a wide range of supplier industries, we can ensure that best practices, industry specific developments, regulatory aspects and other matters that may adversely affect one's performance are handled in a timely manner. ””

THOMAS HØPNER,  
CFO,  
ANTICIMEX DENMARK



Want to know more?  
[eragroup.com](http://eragroup.com)

value through insight™