

Greater Manchester Joint Health Scrutiny

Date: 15 April 2025

Subject: NHS Greater Manchester Update – Delivery in 2025-26 in the Context of NHS Reforms

Report of: Warren Heppollette – Chief Officer – Strategy, Innovation and Population Health, NHS Greater Manchester

Purpose of Report:

The purpose of the report is to provide an NHS Greater Manchester Update in the delivery in 2025-26 in the context of NHS reforms, requested at the last meeting by Members.

Recommendations:

The GM Joint Health Scrutiny Committee is requested to:

1. Discuss NHS GM's plans for 2025-26 and which key themes the committee may wish to focus on this year
2. Discuss the emerging information on the national NHS reforms and how the committee would wish to be engaged on these through the year.

Contact Officers

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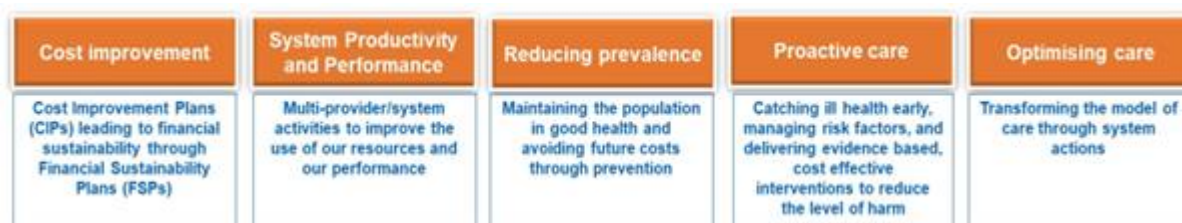
1.0 INTRODUCTION

- 1.1. NHS Greater Manchester's Annual Plan for 2025-26 was approved at the Integrated Care Board in March 2025.
- 1.2. The Annual Plan is based on the Sustainability Plan that was agreed in September 2024 and was discussed at Greater Manchester Joint Health Scrutiny in the same month.
- 1.3. NHS GM will be implementing its Annual Plan in the context of the significant changes announced to the NHS announced in March 2025.
- 1.4. This paper describes what we know so far about those changes and the emerging arrangements for their implementation in Greater Manchester.
- 1.5. The Sustainability Plan and Annual Plan are essential to the delivery of both the Integrated Care Partnership Strategy and the Greater Manchester Strategy (GMS) including Live Well. We remain committed to the delivery of these plans in full and will not allow the national changes to detract from this. Instead, we will seek to both influence the national changes so that they support our direction of travel and, once the reforms are in place, apply them in the way that is most consistent with how Greater Manchester operates.

2.0 THE SUSTAINABILITY PLAN

- 2.1. The Sustainability Plan recognised the extent of the challenges facing the NHS in Greater Manchester across finance, quality, performance (including timely access to services) and population health.
- 2.2. The plan confirmed, based on analysis of patient records, that the health of people in Greater Manchester has been getting worse and that this deterioration will continue if we do not re-shape how we spend both the £8bn NHS budget in GM and influence how the activities of partners can contribute to good health.
- 2.3. At the same time as taking action to slow the growth of projected costs and demand, the plan was clear that we need to address our current cost base and improve the performance and quality of services to make sure that we are meeting the standards that our residents rightly expect – including how long people are waiting for care.

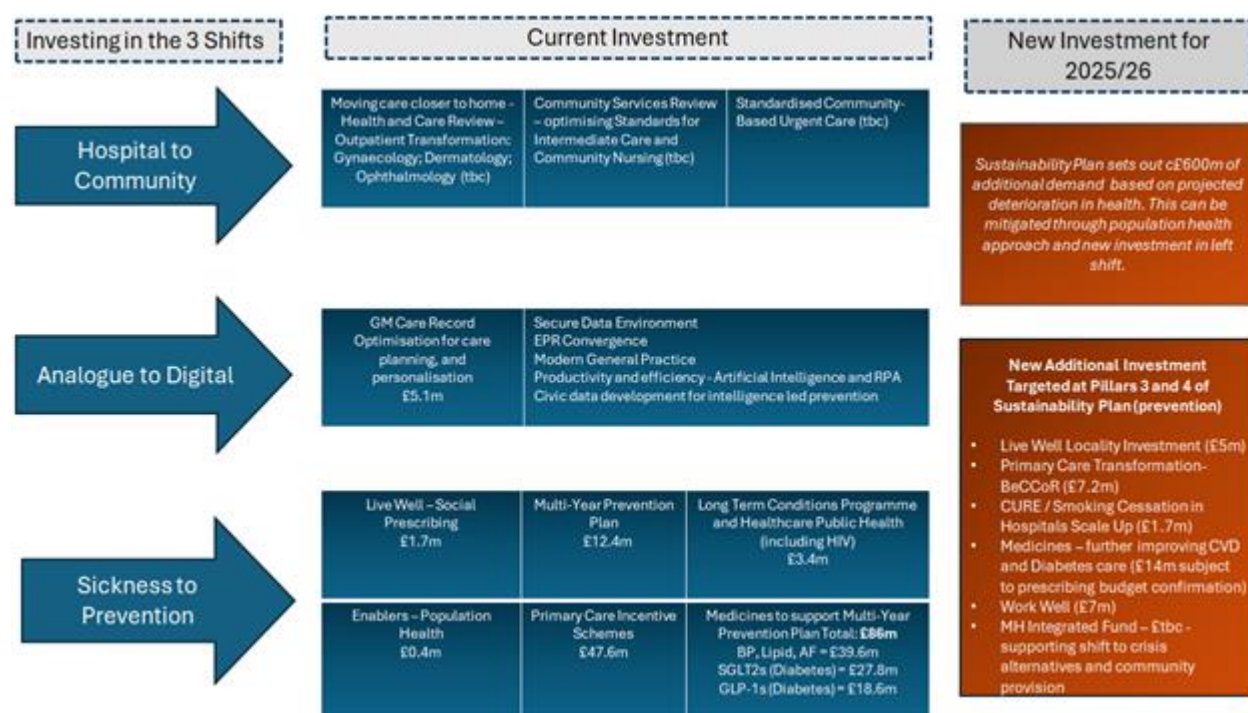
- 2.4. The Sustainability Plan is structured on five pillars (shown below). The pillars are interdependent and do not exist in isolation.



3.0 ANNUAL PLAN 2025-26

- 3.1. This Annual Plan describes the activities that NHS Greater Manchester will undertake in 2025/26. It is structured on the five pillars of the Sustainability Plan.
- 3.2. Given the current pressures on the GM system, it is vital that all partners work to a clear set of priorities in 2025/26. The five priorities for GM in 2025/26 are:
- Maintaining access to, and the quality of, essential health services
 - Improving our mental health services
 - Improving the efficiency and productivity of the NHS in Greater Manchester
 - Making as much progress with reducing our waiting lists as we can within our available resources.
 - Supporting the focus on prevention (the left shift) to protect the future of the NHS in Greater Manchester in line with the Sustainability Plan.
- 3.3. The Government's new 10 Year Health Plan, which will be published in spring/summer 2025, will be based on three major shifts in healthcare as set out by Lord Darzi in the autumn of 2024:
- Hospital to community
 - Analogue to digital
 - Sickness to prevention

- 3.4. Achieving these three shifts in Greater Manchester will not be done through a single programme but through the cumulative effect of the activities set out in the Annual Plan.
- 3.5. The Sustainability Plan set out that we need to maintain both existing investments, and add new investment, to secure a sustainable NHS in Greater Manchester. These investments are, in the main, linked to pillars 3 and 4 of the Sustainability Plan on Reducing Prevalence and Proactive Care.
- 3.6. In the current financial climate weighing up whether to proceed with investment is highly challenging. However, NHS GM has committed to continuing to invest in prevention – including the addition of new investment. The picture of investment for 2025-26 is shown below:



4.0 NHS STRUCTURAL REFORMS – ANNOUNCED MARCH 2025

- 4.1. On 13th March, the Secretary of State for Health and Social Care announced that Integrated Care Boards (ICBs) across England would need to reduce their running costs by 50% by December 2025. Each ICB receives an allocation for 'running costs or administrative expenditure'. This sets the amount the organisation can spend on administrative, support and managerial staffing plus.

- 4.2. The Prime Minister also announced on 13th March that NHS England will be abolished with the majority of its functions expected to be adsorbed by the Department of Health and Social Care (DHSC). Administrative costs will be reduced at DHSC with a cumulative reduction of around 9,000 roles across NHS England and DHSC. There is an additional requirement for NHS provider trusts to reduce their corporate support costs.
- 4.3. A recent analysis of running costs for the 42 ICBs in England published by the Health Service Journal placed Greater Manchester ICB in the middle group of ICBs for our running costs in comparison to other ICBs.
- 4.4. A small amount of information has been released to date to follow on from the announcements. A letter from the Chief Executive of NHS England, Sir James Mackey of 1st April 2025 described that ICBs will be notified of what NHS England considers a reasonable running cost per head of the population and the functional description of a model for ICBs will be shared by the end of April – ICBs will be expected to use this to construct bottom-up plans.
- 4.5. The letter gives an early indication of the areas that ICBs will be expected to prioritise:
- The need to maintain some core staff, such as recently delegated commissioning staff and, in the short term until further options are considered, continuing healthcare staff
 - The need to maintain or invest in core finance and contracting functions in the immediate term
 - The need to invest in strategic commissioning functions, building skills and capabilities in analytics, strategy, market management and contracting
 - The need to commission and develop neighbourhood health.

Equally, NHS England has indicated the areas where ICBs may wish to look at potential duplication:

- A number of assurance and regulatory functions (for example, safeguarding and infection control) where this is already done in providers and, in some cases, regions, without compromising statutory responsibilities

- Wider performance management (as opposed to contract management) of providers which again already takes place in providers and at regional level
- Comms and engagement which similarly exists in local authorities, providers and regions

4.6. As noted in the introduction to this report, NHS GM is determined that these announcements will not take us away from our focus on delivery of the Sustainability Plan and Annual Plan for 2025-26.

4.7. Alongside the GM Mayor, GMCA and other partners we will seek to influence the direction of the reforms and how they are implemented in GM. This will include retaining the current geographical structure for the NHS in GM – which is coterminous with GMCA and the 10 local authorities

4.8. Colin Scales (Deputy Chief Executive of NHS GM) will be the Accountable Officer for the transition. A committee will be established to oversee the work – chaired by Sir Richard Leese. We will provide further updates as more details emerge.

RECOMMENDATION

- Discuss NHS GM's plans for 2025-26 and which key themes the committee may wish to focus on this year
- Discuss the emerging information on the national NHS reforms and how the committee would wish to be engaged on these through the year.