

**REPORT TO:** East Lothian Integration Joint Board

**MEETING DATE:** 29 October 2015

**BY:** Chief Officer

**SUBJECT:** Clinical Negligence and Other Risks Indemnity Scheme (CNORIS)

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## **1 PURPOSE**

To seek approval to apply for the IJB to become a member of the Clinical Negligence and Other Risks Indemnity Scheme (CNORIS)

## **2 RECOMMENDATIONS**

It is recommended that the IJB:

- 2.1 Note the content of this Report; and
- 2.2 Agrees to apply to the Scottish Ministers to join CNORIS.

## **3 BACKGROUND**

### **CNORIS**

- 3.1 The CNORIS is a risk transfer and financing scheme, which was established in 1999 for NHS organisations in Scotland. It provides a cost-effective approach to 'insuring' the NHS against claims made against it. NHS National Services Scotland is the scheme manager and its primary objective is to provide effective risk pooling and claims management arrangements for Scotland's NHS Boards and Special Health Boards. The basic objectives of the scheme are:

- Provide advice on clinical and no-clinical scheme coverage to all parts of the NHS in Scotland;
- Support scheme members in an advisory capacity in order to reduce their risks;

- Indemnify its members against losses which qualify for the scheme cover;
  - Allocate equitable contributions amongst its members to fund its qualifying losses;
  - Provide members with scheme financial updated throughout the year to help with end-of-year budgeting; and
  - Help manage risk by providing members with clinical and non-clinical loss analysis throughout the year.
- 3.2 The Scottish Government Health and Social Care Directorate (SGHSCD) funds all large losses (i.e. those that breach CNORIS deductibles, which is equivalent to the policy excess in insurance terms) during each financial year. At the end of the financial year, CNORIS collects funds from members to pay back the deficit accrued in-year by SGHSCD. In order to share the cost fairly between members, clinical and non-clinical risk profiles are created which determine relative risks for each organisation. The total annual deficit is then shared between the members according to their proportion of the overall risk.
- 3.3 The Public Bodies (Joint Working) (Scotland) Act 2014 provides for the extension of CNORIS to local authorities and Integration Joint Boards.
- 3.4 Integration Joint Boards can apply to the Scottish Ministers to become a member. This includes cover with respect to health and social care functions so far as delegated to the IJB by the constituent parties.

#### **IJB Cover**

- 3.5 CNORIS provides a wide range of covers, similar to traditional insurance packages, for its members. These include Clinical Negligence cover, Employers liability and Public/ Product Liability.
- 3.6 After functions are delegated to the IJB, operational delivery of the services will remain with NHS Lothian and East Lothian Council. However, there is a risk that a claim could be made against the IJB in respect of decisions it has made in the course of its business. Therefore, it is prudent for the IJB to apply to be a member of the scheme before any decisions are made in relation to services e.g. before approving the Strategic Plan.

## **4 POLICY IMPLICATIONS**

- 4.1 There are no further policy implications arising from this report.

## **5 EQUALITIES IMPLICATIONS**

- 5.1 There are no equalities issues arising from any decisions made on this report.

## **6 RESOURCE IMPLICATIONS**

- 6.1 The initial annual cost for the IJBS to join is £3,000. This is based on initial assessment of the likely risk during year 1 and on the arrangements for comparator organisations already within CNORIS.
- 6.2 The scheme deductible amount is £25,000 i.e. the excess amount.

## **7 BACKGROUND PAPERS**

- 7.1 None.

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