

Report To: Inverclyde Integration Joint Board **Date:** 20 June 2016

Report By: Brian Moore
Corporate Director (Chief Officer)
Inverclyde Health & Social Care Partnership **Report No:** IJB/33/2016/BM

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Subject: INSURANCE ARRANGEMENTS

1.0 PURPOSE

- 1.1 The purpose of this report is to seek approval from the IJB to submit an application to become a member of the Clinical Negligence and Other Risks Scheme (CNORIS).

2.0 SUMMARY

- 2.1 This is a follow up report from 10 August 2015 when the IJB noted the CNORIS cover in place 2015/16 with the cost for that year absorbed by NHSGGC. The cost of ongoing cover is a flat rate £3,000. This will provide indemnity for the Board Members, the low cost of the premium reflects the perceived risk.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Integration Joint Board agrees to apply to join the CNORIS scheme.

Lesley Aird
Chief Financial Officer
Inverclyde Health & Social Care Partnership

4.0 BACKGROUND

- 4.1 CNORIS is a risk transfer and financing scheme which was established in 1999 for NHS organisations in Scotland, the primary objective of which is to provide a cost effective risk pooling and claims management arrangement for those organisations which it covers.
- 4.2 The scheme's basic objectives are:
- To provide advice on clinical and non-clinical scheme coverage to all parts of the NHS in Scotland.
 - To support scheme members in an advisory capacity in order to reduce their risks.
 - To indemnify scheme members against losses which qualify for scheme cover.
 - To allocate equitable contributions amongst scheme members to fund their qualifying losses.
 - To provide members with scheme financial updates throughout the year to help with financial management and planning.
 - To help manage risk by providing members with clinical and non-clinical loss analysis throughout the year.
- 4.3 The Scottish Government Health and Social Care Directorate (SGHSCD) fund all large losses (those above the current scheme excess of £25,000) during each financial year. At the end of the financial year SGHSCD collect funds from members to pay back the deficit accrued in-year.
- 4.4 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 members according to their proportion of the overall risk.
- 4.5 The National Health Service (Clinical Negligence and Other Risks Indemnity Scheme) (Scotland) Amendment Regulations 2015 amend the National Health Service (Clinical Negligence and Other Risks Indemnity Scheme) (Scotland) Regulations 2000 ("the principal Regulations").
- 4.6 The principal Regulations establish the Clinical Negligence and Other Risks Indemnity Scheme ("the Scheme") which makes provision for meeting liabilities and indemnity in respect of other financial loss by scheme members. By virtue of the principal Regulations, all Health Boards, other statutory health bodies and the Mental Welfare Commission must be members of the scheme.
- 4.7 The 2015 Regulations amend the provisions of the principal Regulations so that Integration Joint Boards and Local Authorities may apply to the Scottish Ministers to become members of the Scheme. This amendment will come into force on 3rd April 2015.
- 4.8 **Cover Provided**
CNORIS provides indemnity to member organisations in relation to Employer's Liability, Public / Product Liability and Professional Indemnity type risks (inter alia) no less widely than that generally available within the commercial insurance market. CNORIS also provides cover in relation to Clinical Negligence.
- 4.9 NHSGGC (through CNORIS) and Inverclyde Council (through Zurich Municipal) already have relevant insurance cover in place; this will remain in place to cover the staff who are employed by and the services which are delivered by those organisations.

5.0 IMPLICATIONS

5.1 Finance

Annual costs of this cover for IJBs are £3,000.

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report £000	Virement From	Other Comments
N/A					

Annually Recurring Costs / (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact £000	Virement From	Other Comments
N/A	Insurance	04/2016	3		

5.2 Legal

There are no specific legal implications arising from this report

5.3 Human Resources

There are no specific human resources implications arising from this report

5.4 Equalities

There are no equality issues within this report.

6.0 CONSULTATION

6.1 This report has been prepared by the Chief Financial Officer, Inverclyde Health & Social Care Partnership. The Chief Officer and Council Legal Services have been consulted.

7.0 BACKGROUND PAPERS

7.1 There are no background papers for this report.