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Report Title	Clinical Negligence and others risks indemnity scheme (CNORIS)
Lead Officer	
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Date of Report	15 th March 2015
Date of Meeting	

1:	Purpose of the Report
To advise the Board of the Clinical Negligence and others risks indemnity scheme (CNORIS) - a risk transfer and financing scheme originally established for the NHS in Scotland which has been extended to allow IJBs and local authorities to join.	

2:	Summary of Key Information
<p>2.1 BACKGROUND</p> <p>2.1.1 The objective of the Clinical Negligence and other Risk Indemnity Scheme (CNORIS) is to provide cost-effective risk pooling and claims management arrangements for those providing health and social care services across Scotland. The Scottish Government Health and Social Care Directorate (SGHSCD) fund all large losses (i.e. those which breach CNORIS scheme deductibles) during each financial year. At the end of the financial year, funds are collected from Members to pay back the deficit accrued in-year by SGHSCD.</p> <p>2.1.2 In order to share the cost fairly between Members, clinical and non-clinical risk profiles are created which determine relative risks for each Member organisation. The total annual deficit is then shared between Members according to their proportion of the overall risk. In eliminating the need to forecast losses, or to reserve funds within the scheme, Members contribute to losses only during the period in which they have settled, enabling the service to retain funds for investment in health and social care for the longest possible period.</p> <p>2.2 LEVEL OF INDEMNITY</p> <p>2.2.1 The level of indemnity cover provided by CNORIS to Member organisations relates to Employer’s Liability, Public / Product Liability and Professional Indemnity type risks. The level of cover provided is at least £5m Public Liability, £10m Employers’ Liability and £1m Professional Indemnity. There is a £25,000 excess.</p>	



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CNORIS also provides cover in relation to Clinical Negligence. However, there are a number of exclusions, where CNORIS does not provide cover, such as for travel, property insurance, personal accidents and income generating activities. Most of these will not be relevant to the IJB, and the Council and the Health Board remain liable for claims relating to operational delivery.

2.2.2 Canvassing Local Authorities across Scotland, it is apparent that the vast majority are considering purchasing Directors & Officers cover through CNORIS for their IJB however the LA itself is not joining CNORIS.

2.3 FINANCIAL IMPLICATIONS

2.3.1 The risks associated with Integration Joint Boards (IJBs) membership of CNORIS is considered low and an annual contribution of £3,000, payable each financial year; has been set. Notification of the contribution is confirmed in December for the following year. The contribution level has been assessed at this level due to the limited risks anticipated in relation to the statutory status of IJBs and CNORIS cover being provided mainly in relation to indemnity for IJB Board members and officials i.e. Chief Officer. If other risks need to be covered subsequently, this figure would increase.

2.3.2 The Scheme deductible amount is £25,000, i.e. equivalent to an 'insurance policy excess' is £25,000.

2.4 LEGISLATION

2.4.1 Part 2 of the Public Bodies (Joint Working) (Scotland) Act 2014 provides for the extension of CNORIS under Section 85B of the National Health Service (Scotland) Act 1978 (schemes for meeting liabilities of health service bodies) to local authorities and integration joint boards.

2.4.2. The National Health Service (Clinical Negligence and other Risks Indemnity Scheme) (Scotland) Amendment Regulations 2015/102 amends the National Health Service (Clinical Negligence and other Risks Indemnity Scheme) (Scotland) Regulations 2000 with the procedure for IJB's to apply to CNORIS.

2.4.3 IJBs can apply to Scottish Ministers to become a member. This includes cover with respect to health and social care functions in so far as the IJB is concerned.

2.4.4 When an application is made and not withdrawn, membership of the scheme



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is to begin on 1st April in the calendar year after the application is made, except during the period from the coming into force of the Regulations until 31st October 2016.

2.4.5 On receipt of an application, the Scottish Ministers must, at least 30 days before the date on which the applicant's membership of CNORIS is to take effect, notify the applicant of the date on which the applicant's membership of the Scheme is to take effect.

3: Recommendations for Action

It is recommended that the IJB:

1. notes the contents of this report
2. agree to apply to Scottish Ministers to join CNORIS for Directors and Officers cover.
3. agree the expenditure to purchase membership of the scheme at the amount set out at 2.3.1 above.

4: Opportunities and Risks

4.1 OPPORTUNITIES

- The CNORIS Scheme provides a cost effective way of providing indemnity cover for the IJB should any significant claims be made against the Board.
- CNORIS is established and is underwritten by the Scottish Government.

4.2 RISKS

- There is likely that there will be a gap in coverage between the IJBs formation and the date its membership of CNORIS commences. This gap could be around 1 month. The Scottish Government have indicated, however, that they may be able to approve the application in a day.
- There is a minimum 3 years membership of the scheme, with 1 years notice to leave thereafter.
- To make a claim, CNORIS requires a member to be a paid up member of



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the scheme on the date of the incident and also on the date that the claim comes through for the scheme to respond (which is likely to be one of the reasons why those who join the scheme tend not to leave it).