

# Business plan 2019/20



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# Welcome from our Chair and Chief Executive

Welcome to our business plan for 2019/20 which sets out our financial and delivery plans as we enter into the third year of our [five year strategy](#).

Our strategy is being delivered at pace and our actions have contributed to improving trends in claims experience. In particular, we have seen the number of incoming claims levelling off, an increase in the successful defence of claims brought and notably, reductions in claimant legal costs. We have taken action both to reduce the level of bills submitted to the NHS for payment and to inform government on the options for reform in this area.

As a result, we have been able to advise our members of a small reduction in total contributions to the Clinical Negligence Scheme for Trusts (CNST) by 1.9% from £1,984 million in 2018/19 to £1,947 million for 2019/20, compared to very large increases

in CNST charges in previous years. In addition, we have reduced contributions to the Liabilities to Third Parties Scheme (LTPS) by 3.7% from £47.8 million in 2018/19 to £46 million in 2019/20.

Although the reduction in contributions is to be welcomed, we cannot be complacent; costs are influenced by many factors which are beyond the control of NHS Resolution or the health system. The cost of clinical negligence in trusts is significant and rising placing an increasing financial burden on an already stretched system. A continued focus on patient safety will be key to tackling some of these pressures. However, without further reform in the near future, we can expect continued growth

in CNST contributions in order to pay for past claims as they settle.

The current review of the Personal Injury Discount Rate (PIDR) as specified by the Civil Liability Act 2018, is expected to have an impact on claims costs in 2019/20 whilst delivering fair compensation for patients. We are also working closely with the Civil Justice Council which is due to make recommendations for a streamlined claims-handling process and grid of fixed recoverable claimant legal costs in lower value clinical negligence cases. More reform to the legal environment is likely to be needed and we will continue to work closely with partners across government to review all options.

## Looking to the year ahead, we have six key priorities:

### **We are continuing our drive to keep patients and healthcare staff out of court.**

We are pressing forward with our efforts to resolve increasing numbers of claims without litigation, to minimise unnecessary delays and to improve the experience for patients, their families and healthcare staff. We will do this by targeting cases that are at risk of moving into unnecessary litigation and increasing the uptake of alternative dispute resolution, including mediation.

We will be undertaking a comprehensive review of our operating model and performance framework for claims management to ensure that all of our activity is directed towards delivering a fair outcome at the right time.

### **Translate data into learning by bringing a clinical lens to emergency care claims – the biggest claims area by volume.**

We hold a unique dataset of the incidents which lead to claims for clinical negligence in England. We are pleased to be working with NHS Improvement to shape the new national patient safety strategy to ensure that where

there is most significant harm and litigation costs are highest, we work together to facilitate improvements in patient safety. We look forward to collaborating on areas such as claims in emergency care, because for the first time, claims made about emergency departments have outstripped those relating to orthopaedic surgery. We have recruited a clinical fellow in this speciality to better understand themes arising from these claims in order to feed information back into the service to drive improvement.

### **Incentivise NHS providers to deliver safer maternity and neonatal services. Get closer to the most serious incidents to share learning and deliver support to families and staff.**

Harm which arises in maternity services can be tragic for all those involved, and the associated claims represent by far the biggest area of spend for NHS Resolution on behalf of the NHS. Understandably the specialty has been, and continues to be, an area of particular focus for us. As set out in *the NHS Long Term Plan*, we will for a second year, run our *successful* maternity incentive scheme for trusts. The scheme rewards trusts meeting

all ten safety actions designed to enable the delivery of best practice in maternity and neonatal services. Supported by the national Maternity Safety Champions and agreed in collaboration with our system partners, the scheme has already delivered significant improvement in the quality of reporting to NHS Digital and sign up by all NHS maternity services to the MBRRACE National Perinatal Mortality Review Tool. There is potential for the scheme to support services even more in 2019/20.

We are committed to getting closer to the most serious maternity incidents so that we can share learning rapidly and get support to families when they need it. As we move our Early Notification scheme for obstetric brain injury into its third year, we will explore how to help families with complex needs arising from brain injury in the early years following birth. We will also build on our programme to support health professionals to develop the confidence and skills to prepare for the difficult conversations with patients and families that are so important to get right in times of tragedy.

### Use the findings of our research to improve how the NHS responds when something goes wrong.

We will accelerate our work with other bodies to ensure that learning is shared broadly and deeply within the NHS, including with front-line staff. Last year, we conducted research to understand *why some people brought a claim*. The report validates what we know about the intrinsic relationship between claims and the management of complaints and incidents. Building on the findings, we will work with others, such as the Parliamentary Health Services Ombudsman (PHSO), to identify opportunities for the NHS to get better at incident, complaints and claims handling and where we can support the NHS in developing a just culture.

### Focused interventions to help resolve concerns about practitioner performance quickly and locally.

Following developments in late 2018, we will be re-launching our assessment service for practitioner performance. In line with our objective to provide expertise to support the local resolution of concerns as early as possible we

will be implementing swifter and more focused interventions to support organisations to resolve performance concerns about individual clinicians.

### Operate the state-backed Clinical Negligence Scheme for General Practice.

New to our strategy was the work required to establish, administer and operate a new state-backed scheme for general practice, the Clinical Negligence Scheme for General Practice (CNSGP). We will be working with partners to ensure that the scheme continues to develop to meet the specific needs of general practice. We look forward to bringing our expertise in the management of indemnity schemes to general practice and further building our relationships with the community following the launch of CNSGP on 1 April 2019.

Our strategy requires us to account for rapidly evolving developments in the political landscape. As the UK leaves the EU, the new context will require NHS Resolution to work with the Department of Health and Social Care (DHSC) and its arm's-length bodies (ALBs) to manage any effects of EU exit.

Underpinning our key areas of focus and given the continual need for change and improvement, will be a programme of work to ensure that we remain fit for purpose in all that we do. The **three** main areas which will require investment for the year ahead will be data, accommodation and workforce.

### Explore new technologies to improve our ability to learn and share what we know.

We will be exploring new technologies to improve our ability to learn and share what we know. As we move into the next phase of our work to review core systems, we will explore options that will support greater analysis of our data in order to enhance our operational efficiency. Our new website will be a valuable platform for us to launch a range of materials and advertise events, alongside providing, for example, a searchable repository for users of our Primary Care Appeals service. We need to balance a responsibility to share meaningful data, with best practice in data protection and upholding individual rights. Our work to prepare for the implementation of the EU General Data Protection Regulation and associated UK legislation helped tighten up our processes and procedures.

**Expanding our Leeds base to deliver better value for money.**

We have expanded our Leeds base and moved into new premises. This will help us to build a skilled workforce and to deliver better value for money both in recruitment and our accommodation costs. We will also plan for the work to relocate our other office within London in 2021.

**Invest in our staff and develop the skills and behaviours we need to deliver an innovative and fair service.**

Finally, we cannot do anything without the expertise and commitment of our staff who work incredibly hard to deliver our objectives. In 2018 we adopted a new corporate workforce and organisational development strategy which included delivering an organisational wide leadership development programme and provided training, including

responding in a compassionate and empathetic way to those who bring claims without legal help. The value driven approach of our staff and their continual efforts to improve our services and deliver fair outcomes are at the core of what we do and we will do everything we can to invest in and support them in meeting the challenges ahead of us in 2019/20.



**Ian Dilks / Chair**



**Helen Vernon / Chief Executive**



We focus considerable effort and energy in seeking to reduce the occurrence of cerebral palsy. In addition to the impact on the family involved, hospitals now pay around £1,000 per birth in indemnity costs.

# Part 1

## Overview

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**Our purpose** is to provide expertise to the NHS to resolve concerns fairly, share learning for improvement and preserve resources for patient care.

## Our services

<p><b>Claims Management</b> Delivers expertise in handling both clinical and non-clinical claims to members of our indemnity schemes.</p>	<p><b>Practitioner Performance Advice</b> Provides advice, support and interventions in relation to concerns about the individual performance of doctors, dentists and pharmacists.</p>
<p><b>Primary Care Appeals</b> Offers an impartial tribunal service for the fair handling of primary care contracting disputes.</p>	<p><b>Safety and Learning</b> Supports members of our indemnity schemes to better understand their claims risk profiles, to target their safety activity while sharing learning across the system.</p>

## We receive around...

<p><b>150-250</b> appeals in accordance with the Pharmacy Regulations a year.</p>	<p><b>900</b> requests for advice in relation to the performance of doctors, dentists and pharmacists each year.</p>	<p><b>14,250</b> clinical and non-clinical claims each year.</p>
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## Supported by

Finance and Corporate Planning	IT and Facilities	Membership and Stakeholder Engagement
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## Strategic aims

 <p><b>Resolution</b> Resolve concerns and disputes fairly.</p>	 <p><b>Intelligence</b> Provide analysis and expert knowledge to drive improvement.</p>	 <p><b>Intervention</b> Deliver interventions that improve safety and save money.</p>	 <p><b>Fit-for-purpose</b> Develop people, relationships and infrastructure.</p>
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## Our values

Professional	Expert	Ethical	Respectful
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# Our main achievements in 2018/19

## Resolution



- Reduced the overall CNST contribution collected from our members by 1.9%, from £1,984m in 2018/19 to £1,947m for 2019/20. In addition, we have reduced contributions to the Liabilities to Third Parties Scheme by 3.7% from £47.8 million in 2018/19 to £46 million in 2019/20.
- Resolved 11,417 claims for clinical negligence.
- Reduced our litigation rate from 32% in 2017/18 to 31% 2019/20, resulting in direct savings to the NHS and an improved experience for patients and healthcare staff.
- Increased the number of claims resolved via our mediation service for the second year in a row from 189 to 397 (an increase of 110%).
- Took a number of legal cases to the higher courts to develop case-law in the broader interests of patients and the NHS.
- Issued new guidance from our Primary Care Appeals service to improve the quality of applications to amend pharmacy opening hours.

### Reduced the overall Clinical Negligence Scheme for Trusts contribution

## Intelligence



- Published *Learning from suicide-related claims: a thematic review of NHS Resolution data* with recommendations to drive improvements endorsed by our partner arm's length bodies, the Royal Colleges and others.
- Contributed to the wider maternity system to improve safety and reduce harm, including the Royal College of Obstetricians and Gynaecologists' Each Baby Counts programme; the Maternity and Neonatal collaborative, and as a member of the Maternity Transformation Programme Board (work stream 2).
- Shared vital data to support the Getting It Right First Time programme, facilitating learning across a range of clinical specialties.
- Shared learning back through 24 national, regional and local events held in England, focused on learning from inquests, improving safety in mental health and maternity services and improving the safety culture, handling difficult conversations and delivery of candour.
- *Published research* into the factors that motivate individuals to make a negligence claim.

### Shared learning

## Intervention



- Used the first year of our CNST maternity incentive scheme to drive improvement in maternity and neonatal services by incentivising ten actions, agreed with system partners and following its success launched a second year with refined actions.
- Responded to customer feedback and streamlined workplace based assessments delivered by Practitioner Performance Advice to focus on delivering the elements that add the most value.
- Piloted Action Learning Sets to embed learning from case investigator and case manager training programmes at a local level.

### Improvements through incentivised actions

## Fit for purpose



- Adopted new services titles for our core services to better describe them, build awareness of the range of work we undertake and to encourage uptake of our services by the system.
- Launched a new website to improve access to our resources and provide greater transparency around our work, for example to increase the ease of access to our Primary Care Appeals' decisions.

### New website launched

# Some workstreams that have changed direction in 2018/19

We have paused a review of the core operating model for our claims management service to account for the full operational impact of administering a new state-funded indemnity scheme for general practice and the necessity of designing an operating model that will best serve all of our scheme members.

We have built on our commitment to reach formal agreement as to how we work together with our partners by agreeing new ways of working and more topic specific protocols. This allows for a more flexible way of working, enabling more effective collaboration to meet shared objectives.

We are reviewing how text analytics can help us to mine our data and improve efficiencies within our core operations whilst being aware of our responsibilities under the General Data Protection Regulations.

# Part 2

## Our goals for 2019/20

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# Strategic priority 1 – Resolution



## Our aims

- To continue to provide cost effective dispute resolution services.
- To reduce litigation and increase the use of alternative dispute resolution.
- To reduce the unnecessary costs attached to claims and inform policy initiatives designed to achieve this outcome.
- To extend the reach of Performance Practitioner Advice into organisations that are currently not using its services, particularly when there is a serious incident or safety concern.

## What we will continue to do in 2019/20

Resolve clinical and non-clinical claims fairly with the aim of getting to the right answer as quickly as we can and, as far as possible, keeping cases out of formal court proceedings. Working with claimant law firms to find the most appropriate way to resolve claims will be essential in identifying groups of claims to achieve resolution without the need for litigation or trial. We continue to resist payment on cases where the treatment was appropriate and contest excessive claims for damages and costs.

Evolve our operating processes so that we focus our efforts on resolving claims earlier in the process, shortening the time to resolution, whilst balancing cost. Continuously improving the data we capture will also enhance our ability to provide visibility on claims trends whilst supporting efforts to reduce time to resolution and associated costs. We shall resolve at least as many cases as we receive in the year, balancing speed of resolution against the risk of overpayment and guarding against claims fraud.

Deliver transparent, robust and impartial resolution in the field of primary care contracting disputes with decisions routinely published

on our website. We will continue to build upon the success of our education programme, and share learning from our decisions, in order to reduce the need for our services in this area.

Deliver effective management of requests for advice from healthcare organisations in relation to individual clinicians, raise awareness of and continue to deliver high quality education services to support organisations resolving concerns locally.

Build on our research into why some people make a claim by providing resources to support members and clinicians in being open, candid and where appropriate, providing a sincere apology. We will also work with others, such as the Parliamentary Health Services Ombudsman (PHSO), to identify opportunities for the NHS to get better at complaints, incident and claims handling, and will explore some shared training opportunities for NHS complaints staff. We will also shape the debate around ways to better support duty of candour and the creation of a just culture in the NHS, as well as continue to provide platforms for patients and families to share their experience of how the NHS can improve.

What are our key initiatives in 2019/20?	How will we know we have succeeded?
To establish and operate a sustainable system of indemnity for general practice in England, the Clinical Negligence Scheme for General Practice (CNSGP).	As of 1 April 2019, full indemnity cover now exists across general practice in England, enabling wider learning from harm.
Develop and streamline early resolution in maternity incidents to ensure optimal working arrangements across system partners and therefore an improved experience for patients, their families and also staff.	<p>Swifter and more streamlined investigations will be carried out into legal liability for incidents resulting in potential severe brain injury at birth.</p> <p>More formalised working arrangements will exist with key partners such as the Healthcare Safety Investigation Branch, our legal panel and other stakeholders to ensure alignment of processes.</p> <p>An 'escalation of concerns' process will be developed and implemented to ensure a swift response to areas of concern.</p>
Review our claims mediation services to ensure we are making best use of this and other forms of alternative dispute resolution.	<p>An increasing number of claims will make use of our mediation service.</p> <p>Take up of other methods of alternative dispute resolution will also increase through our collaborative work with claimant lawyers, patient groups and other stakeholders such as the PHSO.</p> <p>A re-procurement of our mediation service will take place to ensure we are getting best value for money.</p>
Implement initiatives to target cases that are at risk of moving into unnecessary litigation.	Launch of approach by the end of Quarter 1.
Develop and implement a framework to improve the way in which we work collaboratively with our scheme members to deliver an effective claims management service.	<p>Roll out of the framework by the end of Quarter 2, incorporating feedback from member trusts. This is likely to cover:</p> <ul style="list-style-type: none"> <li>• Clearly defined operating procedures and reiteration of roles and responsibilities according to scheme rules.</li> <li>• Tools/products to support members and claims managers.</li> <li>• Improved member claims manager engagement.</li> </ul>
Implement swifter and more focused interventions to support organisations to fairly and effectively handle and resolve performance concerns about individual clinicians at a local level.	Introduce a new assessment process that is more flexible and responsive and that makes best use of the most up to date tools, reducing the time from assessment to resolution.

# Strategic priority 2 – Intelligence



## Our aims

- To help the health and justice systems, organisations and individuals identify and address issues driving costs and use this information to devise and signpost interventions.
- To understand and respond to the drivers of cost and our customers' needs.
- To share what we know to inform policy development.

## What we will continue to do in 2019/20

Provide expertise and advice to support government in the development of a cross-government strategy to address the rising costs of clinical negligence. This includes sharing insight with policy makers on any proposed changes to fixed recoverable costs for lower value clinical negligence claims.

Incentivise improvements in patient safety by sharing insights from claims to improve services. An area of focus will include using claims scorecard information to work with trusts, clinicians and commissioners to drive awareness of local claims data and apply learning.

Work collaboratively with a range of partner organisations across the safety system to enable trusts to understand their claims profile and where further improvement is required. This will involve:

- continuing to work closely with others, such as the Care Quality Commission, the Getting It Right First Time programme, the Healthcare Safety Investigation Branch, NHS England and NHS Improvement's national patient safety team.
- contributing to key patient safety initiatives including the Maternity Transformation Programme and the Royal College of Obstetricians and Gynaecologists' Each Baby Counts programme.

Keep the NHS up to date on how the developing law might affect day-to-day practice or future liabilities. We will do this through the timely publication of key decisions in healthcare law, either directly or via our legal and costs panel suppliers.

Survey those we work with about all of our operations, in order to obtain comprehensive feedback on our services. The results will build on last year, and be used to benchmark and monitor progress.

Provide education to users of our Pharmacy Appeal Service and Medical, Dental and Ophthalmic Dispute Resolution service users via training courses and online guidance.

Support patient safety by receiving and recording Performer List Notifications from NHS England, and UK wide health organisations so that we can provide a robust web checking service for NHS England following applications to join primary care lists.

What are our key initiatives in 2019/20?	How will we know we have succeeded?
<p>Analyse and review claims where these relate to concerns arising in emergency care and to develop products enabling improvements in services and patient safety.</p>	<p>Clinical fellow appointed to lead the production of a thematic report with recommendations, published and shared by March 2020.</p> <p>Publication of two sub-speciality clinical reports with recommendations where these relate to key causes of claims in emergency care.</p> <p>Best practice shared and recognised across emergency care.</p>
<p>Develop and implement a framework for the reporting, analysis and evaluation of Practitioner Performance Advice data.</p>	<p>Development of a comprehensive research programme to share with the wider system in respect of Practitioner Performance Advice casework and to inform the ongoing development of our services.</p>
<p>Build our policy and strategy capability and capacity in order to increase our impact.</p>	<p>Establishment of a new policy and strategy team. Our five year strategy is reviewed and refreshed by the end of Quarter 3.</p>
<p>Develop system wide recommendations for improving the experience of families and staff who are affected by serious incidents that result in severe brain injury in babies born at term or following labour.</p>	<p>Careful analysis of data collected through our early notification scheme provides valuable learning on clinical themes. Insight is shared and policy recommendations are co-developed to facilitate national improvements in patient safety. Publication of year one data in Quarter 1.</p>

# Strategic priority 3 – Intervention



## Our aims

- To work in partnership with NHS trusts, patients and healthcare staff to improve the way in which the NHS responds to incidents.
- To inform and implement policy initiatives effectively.
- To play a unique role in incentivising safety improvement, using the indemnity schemes as both a platform for learning and a lever for change.
- To provide the system with access to a range of intervention services that uses our expertise to support improvement.

## What we will continue to do in 2019/20

Help maternity services across England deliver better care to mothers and their babies by continuing to work with families, and NHS trusts, right from the start, in relation to those rare but tragic cases which result in brain injury at birth with life-long care requirements.

Work with our national maternity partners<sup>1</sup> to deliver year two of the maternity incentive scheme. Using the pricing lever of the CNST, the scheme will continue to incentivise action delivering demonstrable improvements in safety, ultimately reducing harm and the resulting cost of claims.

Provide up to sixteen safety and learning regional forums and two national events across England, bringing together clinicians to share best practice across a range of areas.

Deliver a range of tailored assessment and intervention products, including the assisted mediation service, for managing concerns about individual practitioner performance.

Demonstrate closer working with partner organisations such as the Care Quality Commission, Health Education England, NHS England and NHS Improvement, to collectively improve safety. A key part of this work will include seeking out opportunities with our partners to develop resources, engaging with commissioners to support members in learning from harm and contributing to the Care Quality Commission's insight into organisations.

<sup>1</sup> Working with the national maternity safety champions in partnership with our Collaborative Advisory Group, whose members include: the Department of Health and Social Care, NHS Digital, NHS England, NHS Improvement, Royal College of Obstetricians and Gynaecologists, Royal College of Midwives, Mothers and Babies: Reducing Risk through Audits and Confidential Enquiries, Royal College of Anaesthetists, and the Care Quality Commission.

What are our key initiatives in 2019/20?	How will we know we have succeeded?
<p>Launch the first phase of our Faculty of Learning to provide one platform for showcasing a range of learning products such as events, modules and best practice, to support improvements in patient safety and improve access to point of incident resolution when harm occurs.</p>	<p>Development of a learning community equipped with a growing online repository of learning materials that are created collaboratively with partner organisations. Module topics to include:</p> <ul style="list-style-type: none"> <li>• Consent</li> <li>• Point of incident resolution for families and carers</li> <li>• Point of incident resolution for staff</li> <li>• Learning from Inquests</li> <li>• Early notification maternity products</li> <li>• Scorecards to support trusts to interrogate and learn from their claims data.</li> </ul>
<p>Undertake a pilot in partnership with members, to determine how the learning from expert witness reports is shared and implemented.</p>	<p>Themes are identified and shared enabling reflective practice and a reduction in error.</p>
<p>Extend the reach of the assisted mediation service to support effective dispute resolution between clinicians in the workplace.</p>	<p>Increase in the use of assisted mediation in order to support more employers and clinicians to handle and resolve workplace-based disputes.</p>
<p>To develop and launch a team review service.</p>	<p>Employers will be better able to understand, manage and resolve concerns about the functioning of clinical teams in secondary care. As part of the development of this service, we shall develop a programme to evaluate the impact of our interventions in this area.</p>
<p>Increase engagement at NHS England Responsible Officer events across England building closer relationships with medical leaders, across both the NHS and the Independent sector.</p>	<p>Opportunity to share best practice in relation to a range of faculty modules, for example learning from claims, increasing use of claims scorecards and supporting patients and staff involved in clinical incidents.</p> <p>Improved engagement with independent sector clinical leads.</p>
<p>Further develop a cross organisation managing concerns group, linked to a system wide escalation process, taking urgent action where indicated in relation to safety concerns.</p>	<p>Formalised cross system working arrangements with partners where safety concerns are identified.</p>

# Strategic priority 4 – Fit for purpose



## Our aims

- To ensure that we have the right skills and resources in place to deliver our services and to manage significant change across the organisation.
- To be a learning organisation that continuously improves and delivers services with the most effective use of our resources.

## What we will continue to do in 2019/20

Build a robust flexible workforce that equips and empowers our current and future leaders to:

- support staff development through collaboration with the Health and Care Leaders Senior Talent Board and further development of our senior leadership programme;
- provide career development opportunities for all staff through the establishment of new apprenticeship and training programmes and explore internal and external secondment opportunities; and
- implement our improvement plan in line with the Investors in People framework and the priorities set out in our workforce and organisational development strategy.

Promote race equality by reinforcing the Community Race at Work Charter, publishing our data in accordance with the Workforce Race Equality Standards and continuing to develop and deliver our equality, diversity and inclusion agenda.

Progress the required recruitment to enable delivery of our services whilst minimising the use of agency staff or short term contracts.

Review and improve the way in which information is managed to support the delivery of our functions taking into account the requirements of data security.

Improve our data security so we remain compliant with data protection law such as the General Data Protection Regulation and to retain certification for ISO 27001.

Monitor and increase our response to cyber and other data security threats, learning from our own experience and that of others in order to invest in effective security measures.

Further build on our quality assurance processes, including audit and compliance.

Improve our governance processes including commissioning, delivery and benefits realisation for new projects by evolving our programme management office.

Continue to work to the Government Commercial Operating Standards so as to ensure effective and consistent procurement and drive continuous improvement through enhanced contract management.

What are our key initiatives in 2019/20?	How will we know we have succeeded?
Review our operating model for managing claims including roles, systems and processes.	<p>Recruit to full 2019/20 establishment by the end of Quarter 2.</p> <p>Conclude a review into the most effective operating model by the end of Quarter 2. Initiate delivery of the necessary changes in 2019/20 with a view to completing and evaluating in 2020/21.</p>
Undertake a five year review of our Safety and Learning function.	A review will begin in April 2019, reporting in November 2019. This will focus on the role of the Safety and Learning team and how NHS Resolution can facilitate greater cross system learning and increase the impact of its work to incentivise improvements in patient safety and reduce harm and subsequent claims.
Develop and implement a new intranet and refresh our existing extranet.	By the end of the year, a new intranet and refreshed extranet will be in place with positive early feedback from users. Staff will be able to easily access information from across the organisation, and remotely, and intelligence from claims data will be more visible across the organisation.
Move our live IT systems to a new Crown Hosted Data Centre.	Strengthened business continuity capability as evidenced by enhanced disaster recovery planning and system resilience.
Design and develop core operational IT systems, including exploring new technologies such as machine reading.	Implemented the 2017/18 IT review recommendations, improved IT security, and the roll out of Windows 10 to support more flexible working. We will have approved the required changes to our core systems to improve efficiency and data analysis for delivery in 2020/21.
Implement a new finance system.	New system and processes will be in place by Quarter 3 in 2019 and will be in line with current market standard controls and reporting.
Accommodation – Leeds and London.	A phased transition to the new location in Leeds will begin from April 2019 with our Primary Care Appeals service. We will also begin preparations for relocation of our London operation when the lease at our premises expires in 2021.

# Part 3

## Measuring our performance

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# Measuring our performance

We have reviewed our key performance indicators to ensure that these provide an appropriately balanced view of quality, cost and delivery taking into account regular customer feedback.

- Claims Management key performance indicator targets are not published as this information could affect our ability to manage claims effectively.
- Descriptions of how success is measured in claims resolution are therefore included together with details of how we will measure our success against each of our strategic objectives for 2019/20.
- In 2019/20 we will progress work to deliver a new Claims Management performance framework.

Resolution	Area	Target
To respond to a letter of claim involving a clinical matter.	Claims Management	Internal
To respond to a letter of claim involving a non-clinical matter.	Claims Management	Internal
To respond to a letter of claim within the agreed time frame.	Claims Management	Internal
Time to resolution.	Claims Management	Internal
The volume of cases that are repudiated but then a payment is made.	Claims Management	Internal
Reduction in the volume of cases litigating.	Claims Management	Internal
The movement in the financial reserves placed on a claim.	Claims Management	Internal
The accuracy of key data.	Claims Management	Internal

Intelligence	Area	Target
Healthcare Professional Alert Notices issued/released (where justified) within target working days.	Practitioner Performance Advice	90%
Healthcare Professional Alert Notices revoked (where justified) within seven working days.	Practitioner Performance Advice	90%

Intervention	Area	Target
Positive feedback from trusts visited on recognition of products.	Safety and Learning	At least 60%
Response to members: 1) 95% response rate to members following a request for contact within five working days. 2) Provide eighteen engagement events for members which include two national sharing and learning events. 3) Eight safety and learning products to be made available for members in 2019/20.	Safety and Learning	95% 18 events 8 products
Practitioner Performance Advice education events rated by participants at least four out of five for effectiveness/impact.	Practitioner Performance Advice	90%
Requests for advice from Practitioner Performance Advice responded to within two working days (or within an alternative timeframe requested by the employing/contracting organisation).	Practitioner Performance Advice	90%
Assessments and other interventions delivered within target timeframe.	Practitioner Performance Advice	92%
Assessment and other intervention reports produced/issued within target timeframe.	Practitioner Performance Advice	90%
Percentage of exclusions/suspensions critically reviewed in line with the following timescales: Stage 1: after initial four weeks. Stage 2: at three months. Stage 3: at six months.	Practitioner Performance Advice	90%
Decisions on referrals for assessments and other interventions communicated to the referrer within 13 working days of receipt of all referral information.	Practitioner Performance Advice	90%

Fit for purpose	Area	Target
Indemnity scheme financial spend.	Finance	Within 5% of target
Undertake annual customer satisfaction survey to inform service development.	Membership and Stakeholder Engagement	Complete in 2019/20
Target for CNST member participation in our customer satisfaction survey to ensure engaged customer base.	Membership and Stakeholder Engagement	60% of our CNST membership
Evidence of increasing scores covered by annual customer satisfaction surveys year on year.	Membership and Stakeholder Engagement	Increasing scores in 50% of subject areas covered
Overall approval rating in the 2019/20 customer satisfaction survey.	All	Overall satisfaction rating continues to increase
Downtime (unavailability between 7am – 7pm) of any IT system.	IT	No > 5% of working month
Downtime (unavailability between 7am – 7pm) for the extranet and claims reporting services.	IT	No > 2.5% of working month
Critical security patches for externally facing systems to be applied promptly.	IT	Within 14 days of issue
Helpdesk to respond to calls within two hours of receipt.	IT	90%
Sickness absence rate.	HR&OD	Below that for the national NHS average.
Prompt payment of suppliers within 30 days.	Finance	95%

# Part 4

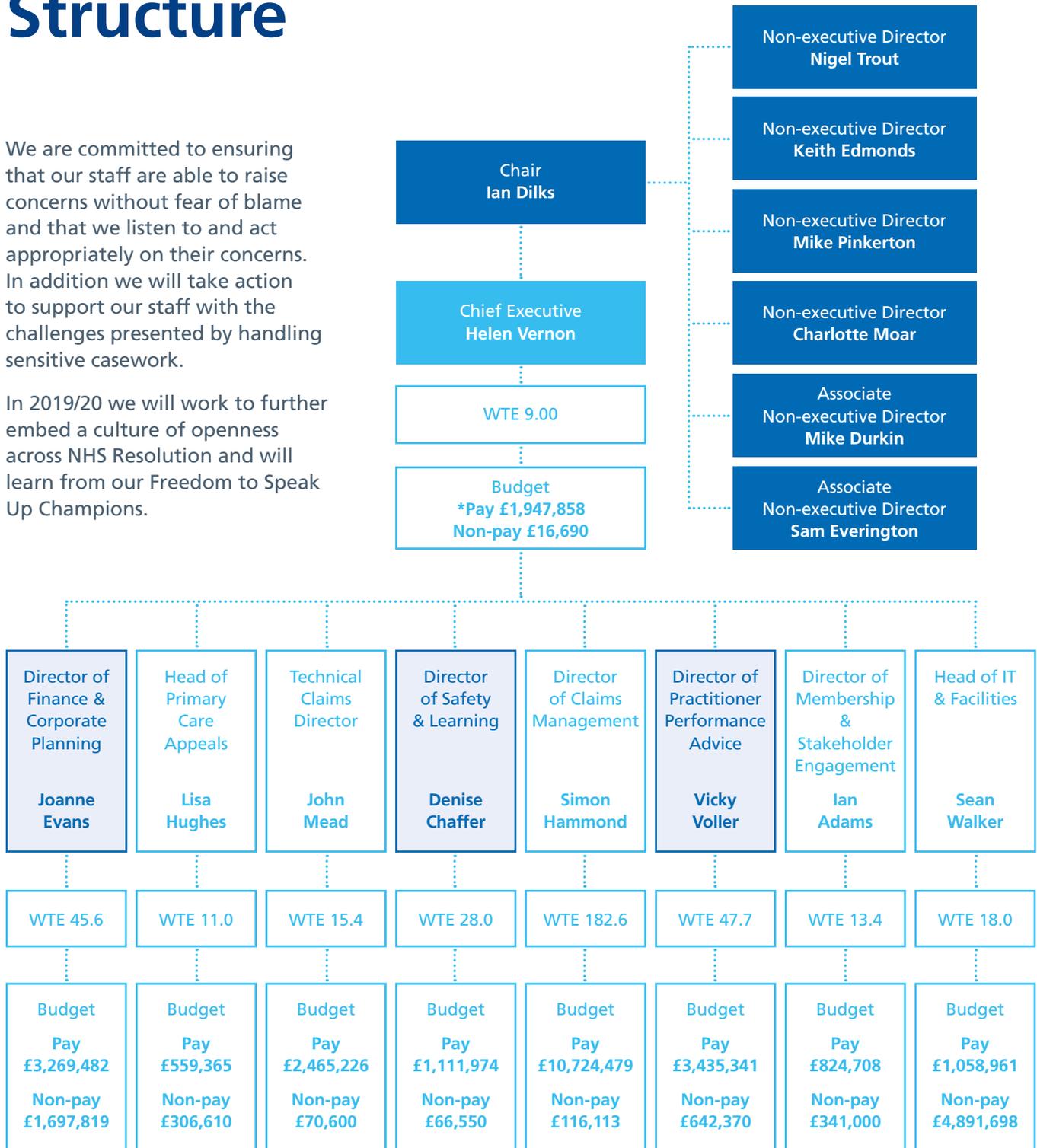
## Our people

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# Structure

We are committed to ensuring that our staff are able to raise concerns without fear of blame and that we listen to and act appropriately on their concerns. In addition we will take action to support our staff with the challenges presented by handling sensitive casework.

In 2019/20 we will work to further embed a culture of openness across NHS Resolution and will learn from our Freedom to Speak Up Champions.



Executive Directors

\*The Chief Executive budget includes £768k of pension increase

# Part 5

## Our resources

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# Our resources

**We are funded primarily by income received from our members in respect of the CNST, the Liabilities to Third Party Scheme (LTPS) and the Property Expenses Scheme (PES) for the settlement of claims and for the administration of these schemes.**

We receive £121m of grant-in-aid funding from the Department of Health and Social Care for the settlement of claims in respect of the Department of Health and Social Care clinical and non-clinical Liabilities, Existing Liabilities, Ex-Regional Health Authority schemes.

We also receive £6.2m of funding for the administration of these schemes and for the services provided by Practitioner Performance Advice and Primary Care Appeals.

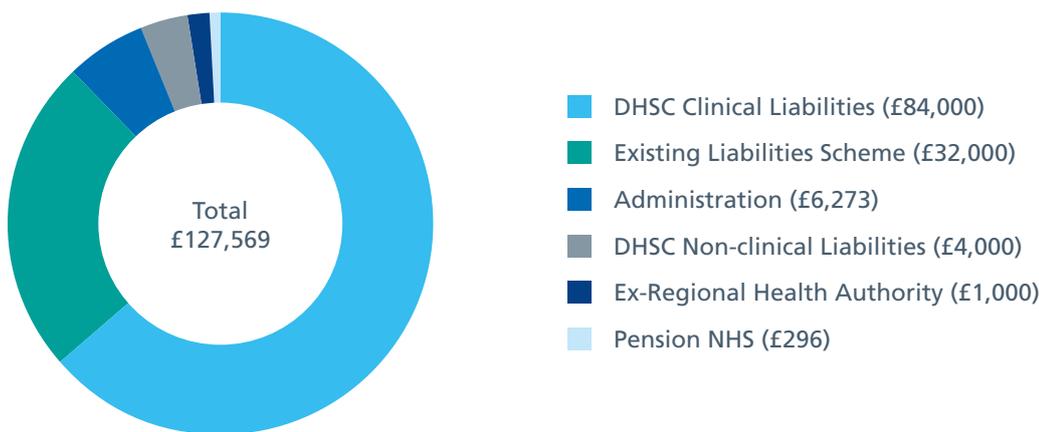
The funding and costs for settlement of claims in 2019/20 do not include the impact of the change in the personal injury discount rate from 2.5% to minus 0.75% on the cost of settling claims. The Department of Health and Social Care has committed to providing additional funding for these costs during the financial year.

# Funding & income<sup>1</sup>

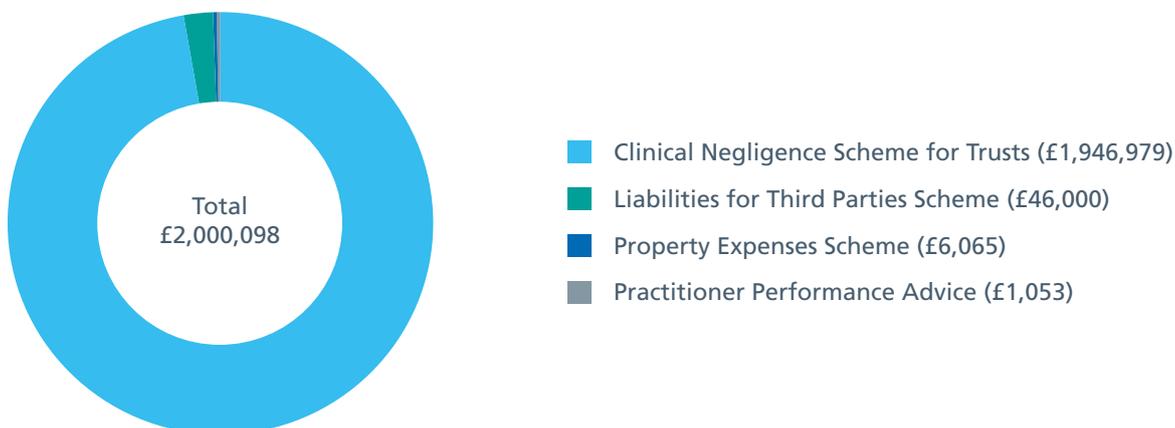
NHS Resolution receives government funding for DHSC funded schemes and income from members for CNST, LTPS and PES. The two graphs following show the split of these sources for 2019/20.

Funding and expenditure relating to the Clinical Negligence Scheme for General Practice is not included in the financial information shown. At the time of publication the exact figures have not been finalised.

## Government funding by scheme (£000's) 2019/20



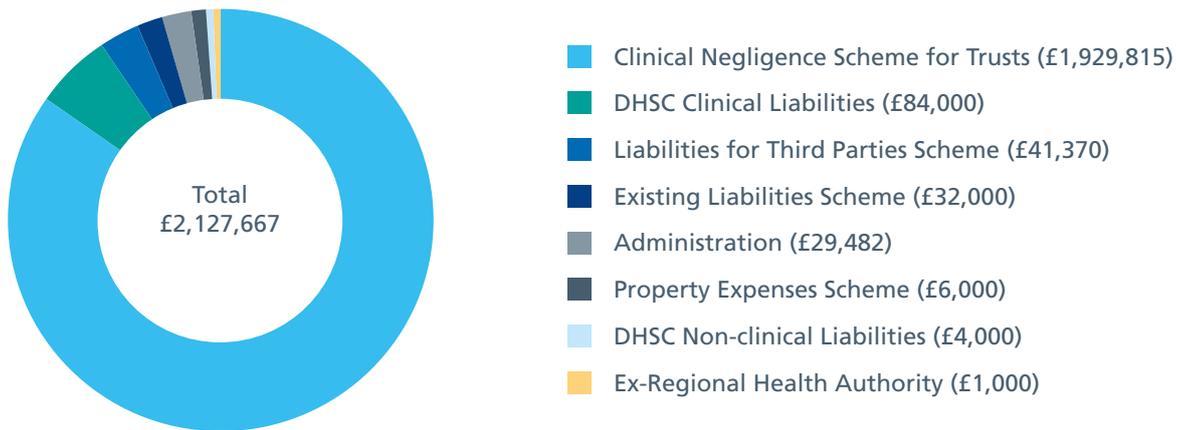
## Income (£000's) 2019/20



<sup>1</sup> Budgets are subject to final confirmation with the Department of Health and Social Care

# Expenditure

## Expenditure budget (£000's) 2019/20



We are committed to continuing to deliver savings against our grant-in-aid funded administration costs in 2019/20.

Our total administration costs represent less than 2% of our overall expenditure.

## Current annual budget 2019/20

Grant-in-aid funding		£000's
<b>Programme</b>		
Clinical Negligence Scheme for General Practice		TBC
Department of Health and Social Care clinical liabilities		84,000
Existing Liabilities Scheme		32,000
Department of Health and Social Care non-clinical liabilities		4,000
Ex-Regional Health Authority		1,000
Pension NHS		296
Total grant-in-aid funding – programme		121,296
<b>Administration</b>		
Administration – grant-in-aid		5,946
Agenda for change 18/19		179
Pension NHS		148
<b>Total revenue resource limit</b>		<b>127,569</b>

## Income and expenditure 2019/20

Programme income		£000's
Clinical Negligence Scheme for Trusts		1,946,979
Liabilities for Third Parties Scheme		46,000
Property Expenses Scheme		6,065
Practitioner Performance Advice service		1,053
<b>Total programme income</b>		<b>2,000,098</b>

Grant-in-aid expenditure		£000's
<b>Programme</b>		
Clinical Negligence Scheme for General Practice		TBC
Department of Health and Social Care clinical liabilities		84,000
Existing Liabilities Scheme		32,000
Department of Health and Social Care non-clinical liabilities		4,000
Ex-Regional Health Authority		1,000
Pension NHS		296
Total grant-in-aid expenditure – programme		121,296
<b>Administration</b>		
Administration		6,273
<b>Total Grant-in-aid expenditure</b>		<b>127,569</b>

Programme expenditure		£000's
Clinical Negligence Scheme for Trusts		1,929,815
Liabilities for Third Parties Scheme		41,370
Property Expenses Scheme		6,000
Practitioner Performance Advice service		1,052
Scheme administration		21,861
<b>Total programme expenditure</b>		<b>2,000,098</b>
<b>Net expenditure</b>		<b>127,569</b>
<b>(Under)/overspend revenue resource limit</b>		<b>–</b>
<b>Ring fenced depreciation and impairments</b>		
Depreciation		1,200
<b>Total revenue resource outturn</b>		<b>128,769</b>

## Annually Managed Expenditure (AME)

Provisions	£m's
Existing Liabilities Scheme	(15)
Ex-Regional Health Authority	0
Clinical Negligence Scheme for Trusts	8,399
Liabilities for Third Parties Scheme	19
Property Expenses Scheme	2
Department of Health and Social Care clinical liabilities	(35)
Department of Health and Social Care non-clinical liabilities	(3)
Clinical Negligence Scheme for General Practice	TBC
<b>Total Annually Managed Expenditure</b>	<b>8,367</b>
<b>Annually Managed Expenditure resource limit</b>	<b>(8,367)</b>

NHS Resolution's annually managed expenditure or AME<sup>2</sup> budget relates to the change in the value from one year to the next, of liabilities expected to be settled in the future, arising from NHS Resolution's indemnity schemes.

Capital expenditure relates primarily to IT equipment and software replacement and development.

Capital	£000's
Capital expenditure	1,390
<b>Total capital expenditure</b>	<b>1,390</b>

2 The Department for Health and Social Care sets a budget for Annually Managed Expenditure (AME). This is to cover expenditure on volatile or difficult-to-manage budget items, and is set on an annual basis. NHS Resolution's AME expenditure is in respect of the net movement in provisions for all of the indemnity schemes, i.e. the change in the provision less any provisions settled in the year.

# Estates

**At the end of 2018/19, we moved into a new Leeds office. This was set up to support the following operational objectives:**

- A closer alignment with the Department of Health and Social Care's estates strategy and a reduction in desk pressure and future accommodation requirements in London.
- The potential to take advantage of the claims/ insurance market expertise in Leeds and increase our overall claims-handling capacity.
- The re-location of our Primary Care Appeals service without creating any significant impacts on the existing staff (travel times etc.)

During 2018/19, we produced our Accommodation Strategy to give the Department of Health and Social Care the necessary understanding of our challenges and requirements as well as to highlight our commitment to the estates strategy for London. Further to this we will devise our moving plans in readiness for an eventual move to one of the London hubs.

Despite changes in our business remit, we remain committed to smarter working and have made investments in IT systems and have future plans to further facilitate its adoption. Our current desk to staff ratio remains at 8:10 with an aspirational target of 6:10 in the coming years.

# Information Technology

**During 2018/19 we delivered three core projects to better support smarter ways of working, as well as to begin preparing us for an eventual move to one of the London hubs.**

Additionally, these projects gave us technical sustainability of our IT infrastructure for at least the next five years as well as to substantially enhance our system resilience. During 2019/20, we will test this resilience in a number of ways.

- A disaster recovery test including the failing over and failing back of our IT systems as well as to look at the effects on the relevant business areas.
- A simulated Distributed Denial of Service attack.

We have made substantial enhancements to our cyber security capabilities to help us maintain an alignment to the ever-evolving threat. We defined performance standards in direct relation to cyber incidents, patching and updating of our IT systems with a view to keeping our information governance team, Audit and Risk Committee and Board apprised.

We achieved cyber essential plus certification to add to our ongoing programme of stress testing our resilience to security.

With a view to further streamlining business processes both within and external to our organisation, we will seek to re-design the security of our extranet which will facilitate the provision of more services such as enhancements to the Clinical Negligence Scheme for General Practice business processes, incident reporting and claims evidence submissions. This revision will also allow us more adaptability to changes in the N3 and Health and Social Care Network (HSCN).

# EU Exit

**We have been actively engaged in working with the Department of Health and Social Care on preparations for an exit from the European Union (EU).**

In line with government requirements, we appointed a director to oversee our preparations, related risk assessments and planning. In line with government guidance, we provided reassurance to staff members from other EU countries on their future employment status.

We also shared key messages around EU Exit preparedness more widely with staff through internal communication channels. We also held a workshop with our legal panel to identify any future potential risks arising from EU Exit on claims. Our self-assessment for EU Exit preparedness was rated 'green', reflecting the relatively low risk to our core operations and the robustness of our emergency planning and response framework to cope with any short-term disruptions arising from EU Exit.

Given the rapidly evolving political landscape, we are committed to updating our business continuity plans regularly in line with the UK's future relationship with the EU.

## **We will do this in three ways:**

- Ensuring the appropriate governance and accountability structures are in place to monitor and assess the impacts of EU Exit.
- Assigning senior responsible owners to key areas likely to be impacted by EU Exit, and ensure sufficient resources are allocated to these areas.
- Work with our legal panel firms to continue to monitor and assess the risks to patient care arising from the impact of EU Exit.

Senior leaders and teams will continue to work closely with DHSC to support the health and care system after EU Exit.

# Part 6

## Governance

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# Assurance on our internal controls

The system of internal control is designed to eliminate risk, where possible, and manage residual risk to a reasonable level, rather than to eliminate all risk of failure to achieve our strategic objectives. We have an internal governance framework to support the Senior Management Team in their decision making and to provide assurance on the effectiveness of internal controls.

## At present, our key risks include:

- Sufficient resource being available to deliver our services and the challenging degree of change envisaged.
- External drivers which may change the volume or value of claims we receive and so increase or reduce the costs to the indemnity schemes and create operational challenges in volume and uncertainty in the payment profile.
- Changes in policy or expectations of our purpose, services or delivery which may supersede our plans and/or cause a re-prioritisation of resource.
- Unforeseen changes in the health service either structurally or in the profile of, and response to harm.
- Changes in the priorities of others whose actions are integral to the delivery of our business plan.

## We place effective identification and control of risk at the heart of good decision making. Our supportive risk management framework ensures:

- Integration of risk management into activities across the organisation as well as policy making, planning and decision making processes.
- Chances of adverse incidents, risks and complaints are minimised by effective risk identification, prioritisation, treatment and management.
- Risk management is an integral part of our culture and encourages learning from incidents.
- A risk management framework is maintained, which provides assurance to the Board that strategic and operational risks are being managed.

Risks will be monitored and escalated to the appropriate risk register and managed in line with our, Board approved, appetite for risk.

In delivering our strategic priorities utilising a strategic risk register enables the Senior Management Team to mitigate threats and exploit opportunities.

We will develop the existing risk management arrangements to further embed operational risk management across the organisation.

We will work with our internal audit supplier to develop a comprehensive annual internal audit plan which will offer insight and assurance that existing internal controls are adequate and suggest improvements where required.

# Procurement

## We comply with Public Procurement Regulations in relation to procurement.

We will work to ensure procurement plans are in place to ensure that acquisitions for goods and services are supported through a robust procurement process and are completed in line with Public Procurement Regulations.

We will ensure any procurement is considered in terms of business need and is the most economically advantageous for the NHS.

We will continue to develop and embed best practice in contract management to ensure we achieve good value for money on the contracts we enter into.

We will be preparing for the tender process of our legal and costs panels.

# Contact us

## We would like to hear from you.

If you have any comments or questions on our business plan 2019/20, please get in touch by email at:

[communications@resolution.nhs.uk](mailto:communications@resolution.nhs.uk)

## Alternatively, you can write to us at:

NHS Resolution  
151 Buckingham Palace Road  
London  
SW1W 9SZ

## You can read more about our work at:

[www.resolution.nhs.uk](http://www.resolution.nhs.uk)

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