NHS Resolution

Annual report and accounts 2020/21: A summary

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Advise / Resolve / Learn

This document provides a summary of some key elements of NHS Resolution's Annual report and accounts 2020/21. The document can be found in full at **https://resolution.nhs.uk/2021/07/15/nhs-resolution-publishes-annual-report-and-accounts-for-2020-21/**

We also release data in Excel spreadsheets which include top level data from 2006/07 to date as a central resource. The data includes for example: volumes of claims notified, volume of settled claims, speciality and payments made by damages reserve band (in year). We also provide data on payments for damages, claimant legal, and NHS legal costs by financial year by speciality and damage reserve band. Also covered are average damage, claimant costs and NHS legal costs; time from incident to notification of claim and from notification to settlement.

The schemes covered include our Clinical Negligence Scheme for Trusts (CNST), Ex-Regional Health Authority (Ex-RHA) Scheme, Existing Liabilities Scheme (ELS), Department of Health and Social Care (DHSC) clinical, Clinical Negligence Scheme for General Practice (CNSGP), Existing Liabilities Scheme for General Practice (ELSGP), and Clinical Negligence Scheme for Coronavirus (CNSC). Matters covered by Existing Liabilities for General Practice (ELGP) are excluded from these tables. ELGP is a transitional financial arrangement for general practice indemnity. We have updated our datasets with information for 2020/21 at **https://resolution.nhs.uk/resources/annual-report-statistics/**

In addition we provide more granular data at a trust level for CNST claims and payments in our Factsheet 5 – this can be found here: **https://resolution.nhs.uk/page/2/?s=factsheet+5**

Contents

Overview

The main feature of 2020/21 for NHS Resolution, was, as for everyone (and in particular our health service partners), the Covid-19 pandemic and all that came with it. Throughout the year, the demands on our NHS colleagues have been unimaginable and we pay tribute to their incredible efforts to keep us all safe in such an extraordinary year.

NHS Resolution moved quickly to home working in advance of the first lockdown in March 2020 and we started the year with the twin aims of looking after our staff and doing all that we could to help the NHS in its response. At the same time we had a significant change programme already underway and a busy operation gearing up to respond to the transfer of several thousand general practice claims arising from new schemes. It remained important to continue in our efforts to deliver what we had set out to do before the pandemic took hold.

Our main annual report sets out how we performed against objectives and targets we set for ourselves pre-pandemic but also describes how Covid-19 inevitably disrupted those plans and brought new challenges, which we responded to during the year and in this summary we seek to capture some key highlights across all these areas.

Throughout 2020/21, our staff and those we work with have responded brilliantly, doing their utmost to deliver the best possible service to the NHS and its staff and patients as well as to support each other through the various challenges that we experienced during the year.

As the new healthcare arrangements for the pandemic response started to be put into place, indemnity quickly became a priority for NHS Resolution. We had already recently launched new schemes for general practice with a new scheme, the CNSGP, starting to mature and historic claims from two medical defence organisations about to come under our management. This extension of NHS Resolution's role into primary care meant that our existing indemnity schemes already covered the majority of new healthcare arrangements, such as returning staff and vaccination delivery. Where gaps existed however, we worked rapidly with the DHSC, NHS England and NHS Improvement and others to put in place solutions, starting with the launch of the Clinical Negligence Scheme for Coronavirus (CNSC) which we supplemented later in the year with the Coronavirus Temporary Indemnity Scheme (CTIS) as different requirements, such as designated care settings, emerged.

We have tried ever harder to settle claims without going to court. We continue to work with those who act for claimants to promote other ways of resolving disputes, such as mediation, and we have resolved a greater number of claims without going to court than ever before. We resolved a greater proportion of claims without formal proceedings (74.7%, compared to 71.5% in 2019/20).

Financial activity

The **provision for the liabilities** arising from claims has decreased by £1.3 billion from £84.1 billion to £82.8 billion.

The cost of CNST **clinical negligence claims** incurred as a result of incidents in 2020/21 was £7.9 billion, down from £8.3 billion the previous year.

Payments made to settle claims in 2020/21 reduced by £120 million, to £2.26 billion.

Administration costs increased by £4.6 million (15%) to £35.4 million.

Budget position

- Department Expenditure Limit (DEL) £445 million under budget.
- Annually Managed Expenditure (AME) £9.7 billion under budget.

We are still incurring around £8 billion annually for the cost of clinical negligence. Despite this our provision fell from £84.1 billion to £82.8 billion, with incoming claims numbers lower than expected and reduced claims inflation.

We have forecast £0.5 billion in our provision for Covid-19 related claims – but it's too soon to see any claims yet. The effect of Covid-19 on the provision is limited because:

- 90% of the provision relates to incidents which occurred before 2020/21; and
- Some 65% of the provision relates to maternity claims where the evidence suggests the risk of negligence hasn't differed.

In-year expenditure was significantly lower than expected, with a £430 million (16%) underspend on the clinical schemes against our budget. The underspend is a reflection of the impact of the pandemic on the NHS, law firms and the court system.

However, although we delivered some positive financial results in 2020/21, the evidence suggests that the total cost of resolving claims will continue to rise, largely due to factors beyond our control. We continue to contribute to the work underway across government to address the rising costs of clinical negligence.

Key points

Liabilities arising from claims under all of our indemnity schemes at the end of this financial year have decreased by £1.3 billion, from £84.1 billion to £82.8 billion. This is the value of liabilities arising from incidents that occurred up to and including 31 March 2021, in relation to both claims received and claims that we are likely to receive.

The decrease is due (primarily in relation to the CNST, by far our largest scheme) to our assumptions that there will be a lower number of high value claims, a lower rate of claims inflation, and a lower average cost of claims, compared to 2019/20. These assumptions are based on observations of long-term trends. In 2020/21 the effect of the Covid-19 pandemic on the value of the provision for liabilities arising is limited because:

- The impact of Covid-19 is largely on the provision of healthcare in 2020/21 whereas some 90% of the provision relates to incidents which occurred before 2020/21; and
- Some 65% of the provision relates to maternity claims and the evidence available to date does not suggest that the risk of negligence from maternity activity in 2020/21 differs from previous years.

Covid-19 affects the provision in relation to the 2020/21 incident year in two counteracting ways: expected lower claim numbers from lower levels of clinical activity, particularly for non maternity activity, which we estimate at £0.4 billion, offset by new potential sources of claims, estimated at £0.9 billion. The net effect of these combined factors is a £0.5 billion increase to the IBNR[1] provision.

A further allowance for general risk and uncertainty has been included in the claims inflation assumption to cover at present unquantifiable claims risk in relation to the pandemic, as well as other areas of uncertainty.

The cost of settling claims in 2020/21 reduced across all schemes by £120 million, to £2.26 billion. Expenditure on administration of all of our activities increased by £4.6 million (15%) to £35.4 million.

The volume of claims taken on in respect of relatively new general practice indemnity schemes increased from 401 to 1,813, and we were preparing to take on several hundred more from the Medical Protection Society from 1 April 2021. A significant element of administration costs growth has been driven by this.

[1] 'Incurred but not reported' (IBNR) claims are an estimate of claims that we are likely to receive in the future from those incidents which have occurred but have yet to be reported to us.

Received claims

In 2020/21 we received 12,629 clinical negligence claims and reported incidents, compared to 11,678 in 2019/20, an increase of 951 (7.5%). The total received includes 973 new claims and incidents for the relatively new CNSGP, 840 against the Existing Liabilities Scheme for General Practice (ELSGP) and seven against the new CNSC. We saw a decrease in clinical claims overall on our other established clinical schemes. We also recognised 192 Early Notification claims during the year, an increase of 140 from 2019/20. Very few claims or incident reports that we received in-year can be directly attributable to healthcare provided in response to the pandemic. We expect any claims arising from the pandemic to be made in future years, given that the average time lag between incident and notification of a (non-maternity) claim is 3.6 years. The pandemic is likely to have contributed to a drop in claims reported by our members and scheme beneficiaries or asserted by claimants' solicitors due to the operational challenges faced over the year and reduced activity in some clinical areas. The number of new non-clinical claims, typically employers' and public liability claims, reduced from 3,744 received in 2019/20 to 2,759 in 2020/21, a decrease of 985 (26.3%).

Settled claims

We continued to settle claims wherever possible. We settled[2] 15,674 clinical and non-clinical claims in 2020/21, 124 more than in 2019/20 when we settled 15,550 claims. Of these, 11,704 (74.7%) claims were settled without formal court proceedings[3] , 3,914 (25%) with proceedings but without trial and 56 (0.3%) at trial. This compares to 2019/20 when 71.5% settled without proceedings, 27.9% with proceedings and 0.6% at trial. The increase in the number of claims settling without court proceedings is due to our efforts to avoid the need for court proceedings, which will continue beyond the pandemic. A spirit of co-operation in our work with claimant solicitors in response to the pandemic will also have contributed. Figure 5 on page 9 provides a full breakdown of this data.

Closed claims

In 2020/21 we closed 15,397 claims, compared to 16,378 in 2019/20, a decrease of 981 (6.0%). The decrease is due to the operational challenges of the pandemic. Our focus remained on settling live cases, by paying damages to harmed individuals where appropriate, rather than closing already settled claims. The number of cases closed with damages being paid was 8,411 in 2020/21, a decrease of 1,166 (12.2%) from the 9,577 cases in 2019/20 The number of cases closed without damages being paid was 6,986 in 2020/21, an increase of 185 (2.7%) from the 6,801 in 2019/20. The reason for the increase in closed claims without damages paid is directly related to the change in our clinical claims portfolio, following the establishment of CNSGP and ELSGP. In 2019/20 we only closed 204 general practice indemnity cases with no damages payable (1.7% of the total volume of closed cases), compared to 1,122 in 2020/21 (9.63% of the total volume of closed cases).

Practitioner Performance Advice

We continued to provide an advice service to healthcare employers on the effective local management and resolution of performance concerns about individual doctors, dentists and pharmacists. The service includes assessments and interventions where merited. Over the course of the year we received 804 new requests for advice compared to 775 in the previous financial year.

These cases reflected a range of issues relating to individual performance, including: clinical capability, performance, workplace behaviour and conduct. Activity on existing cases remains high, and we continue to support the management and resolution of more complex cases. As in previous years, doctors accounted for the majority of new cases (58%), with just over half (52%) of those cases involving clinicians at consultant grade or GP principal level.

[2] Settled claims include claims that have been agreed with ongoing periodical payment orders and claims where damages have been agreed or successfully defended, and costs have yet to be agreed. This is a different cohort to closed claims, which do not include claims settled with periodical payment orders which involve payments being made over the life of the claimant.

[3] Proceedings are formal actions taken in a court to resolve a dispute.

Primary Care Appeals

Pharmacy appeals

As has been the trend over recent years, the number of appeals we received under the Pharmacy Regulations was lower than those we received in the previous year, with 85 compared to 162 in the last financial year. Changes to pharmacy funding have reduced applications for new contracts. In addition, pharmacies no longer receive upfront payments for some services. This eliminates the need for clawback when those services are not provided and therefore also eliminates appeals against the clawback. We resolved appeals on market entry applications from pharmacists to join the Pharmaceutical List, on applications to change the premises listing and on the issuing of breach or remedial notices. More detail about the performance of our Primary Care Appeals service is available in our Factsheet 6 publication **(https://resolution.nhs.uk/resources/factsheet-6-primary-care-appeals-statistics-2020-21/** and case stories can be found here: **https://resolution.nhs.uk/resources/primary-care-appeals-2020-21-case-stories/)**. There were no judicial challenges to any pharmacy-related decisions.

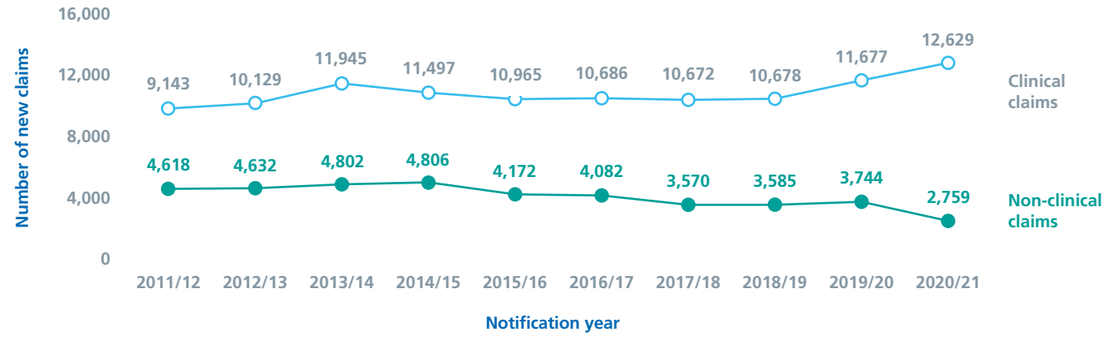
NHS dispute resolution procedure

In late December 2020 through to early January 2021, we were contacted by 60 dental contractors regarding action taken by NHS England and NHS Improvement for a failure to deliver the expected level of units of dental activity during the year 2019/20. It is mandatory that contractors and NHS England and NHS Improvement make reasonable efforts to communicate and co-operate with each other to resolve contract disputes. This should happen before referring the dispute to us or before starting court proceedings. In all these cases local resolution had not been attempted and fully exhausted. Therefore we declined jurisdiction and signposted the aggrieved contractors to the correct procedure.

Disputes relating to GPs and their contracts were again the main source of resolved applications (21 compared with 46 in 2019/20). There were eight dental adjudications compared with 23 in 2019/20.

Trends in claims

Figure 1: The number of new clinical and non-clinical claims and incidents reported in each financial year from 2011/12 to 2020/21



(Source: NHS Resolution Annual report and accounts 2020/21, Figure 3, page 40)

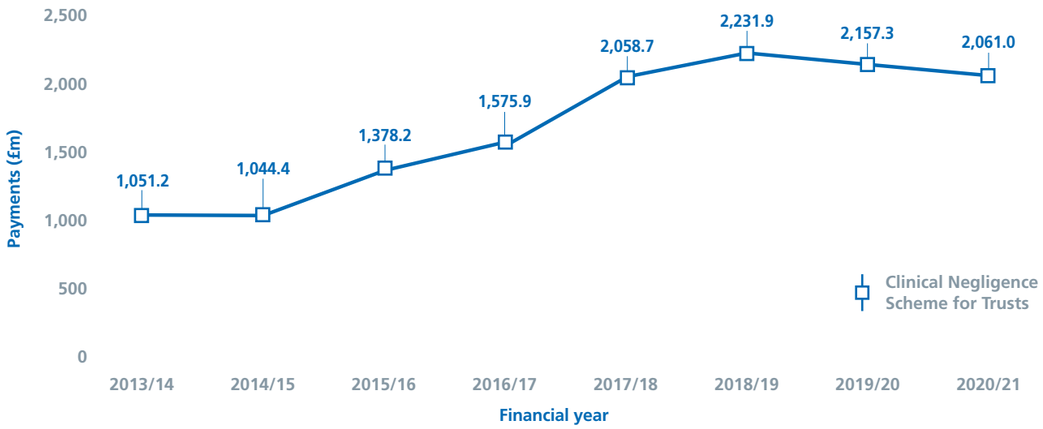
Figure 1 shows an increase of 951 in the number of clinical claims and incidents received from 11,678 in 2019/20 to 12,629 in 2020/21.

The following elements contribute to the increase in claims numbers:

- 840 relate to the take-on of historic liabilities claims of the Medical and Dental Defence Union of Scotland (MDDUS) members covered by our ELSGP from April 2020.
- An increase of 572 claims and incidents (up from 401 in 2019/20) were reported to our new and maturing CNSGP.
- 139 additional claims (192 in total) were recognised in the year for the Early Notification Scheme, as investigations accelerated.
- 7 incidents were reported to our CNSC.

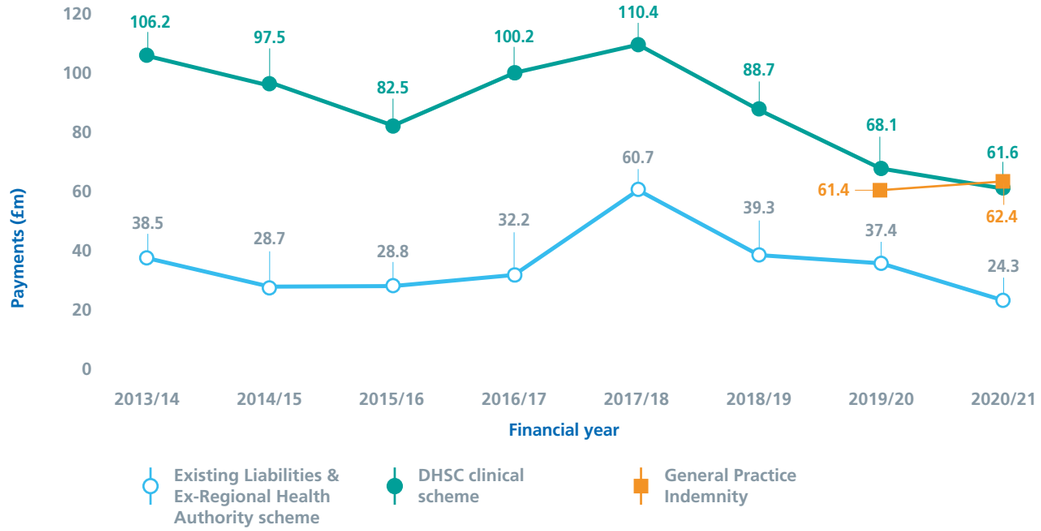
Claims in respect of established clinical schemes reduced by 607. The volume of non-clinical claims reported significantly dropped to 2,759 in 2020/21 from 3,744 in 2019/20. The drop is principally in our Liabilities to Third Parties Scheme (LTPS) and relates to public and employers' liability claims, where we experienced a 25.9% decrease in cases reported. Employers' liability cases experienced the largest fall in number from 2,488 to 1,753, a drop of 29.5%. Public liability cases fell from 1,148 to 943, with these 205 cases representing a 17.9% reduction.

Figure 2: Payments on clinical claims by financial year from 2013/14 to 2020/21 for our CNST (including that attributable to the change in the PIDR)



(Source: NHS Resolution Annual report and accounts 2020/21, Figure 7a, page 44)

Figure 3: Payments on clinical claims by financial year from 2013/14 to 2020/21 for our ELS and Ex-RHA, DHSC clinical schemes (in including that attributable to the change in the PIDR) and GPI (CNSGP and ELGP)

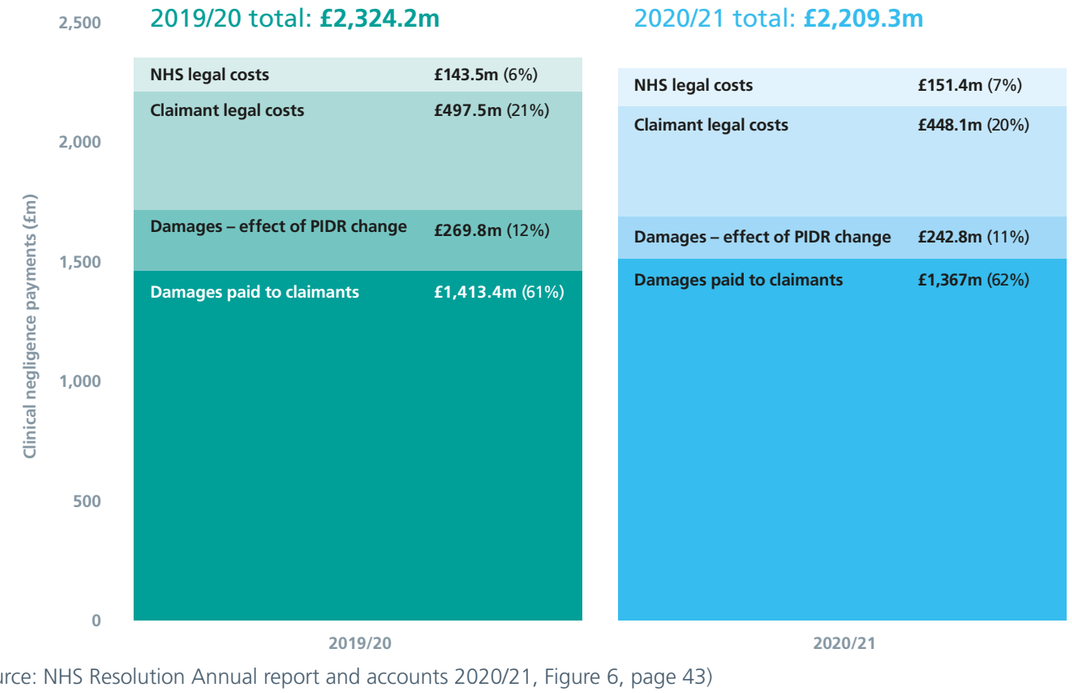


(Source: NHS Resolution Annual report and accounts 2020/21, Figure 7b, page 44)

Figures 2 and 3 show expenditure on individual schemes over time. CNST costs have been impacted by the changes in the personal injury discount rate (PIDR) in 2017 (resulting in an increase in average cost per claim) and 2019 (resulting in a decrease in costs from the 2018/19 peak).

The DHSC clinical, ELS and Ex-RHA schemes are in respect of legacy organisations, and claims and costs are expected to diminish over time

Figure 4: Clinical negligence payments for 2020/21 (including PIDR and expenditure related to CNSGP, ELSGP and ELGP)



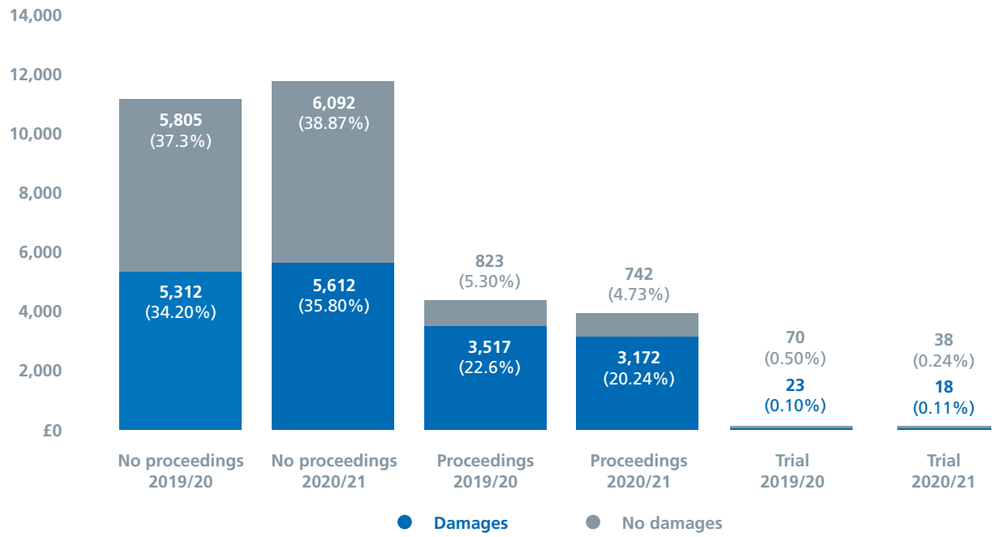
(Source: NHS Resolution Annual report and accounts 2020/21, Figure 6, page 43)

Total payments relating to our clinical schemes (excluding administration costs) decreased by £114.9 million to £2,209.3 million, compared to £2,324.2 million in 2019/20. Damages paid to claimants including PIDR expenditure decreased by £73.4 million (4.4%) from £1,683.2 million in 2019/20 to £1,609.8 million in 2020/21. Alongside this, claimants' legal costs have decreased by £49.4 million (9.9%) from £497.5 million to £448.1 million. There has been a reduction in the volume of high value claims in particular that have had damages and claimant legal costs payments, and the average value of those payments has reduced during 2020/21.

This may be in part due to the operational challenges experienced in the legal and health environments during the pandemic to progress claims. Also, costs are increased when a case enters formal court proceedings and therefore the decrease in claims entering formal proceedings may also have contributed to the decrease in spending in these areas. NHS legal costs overall have increased by £7.9 million (5.5%). Of this, an additional £1.5 million was incurred in relation to our Early Notification Scheme, where we have recognised 192 claims in 2020/21, an increase of 139 from the previous year. We are committed to early investigations conducted in conjunction with our legal panel to establish a liability position for these claims. This proactive approach incurs upfront legal costs. A further £4.4 million has been spent on taking on and managing 840 claims under the ELSGP scheme from April 2020.

Dispute resolution

Figure 5: 15,674 clinical and non-clinical claims were settled in 2020/21 compared with 15,550 in 2019/20 with an increasing percentage settled without proceedings



(Source: NHS Resolution Annual report and accounts 2020/21, Figure 16, page 55)

We settled 124 more claims in 2020/21 compared to 2019/20. The pandemic will have had some effect on our ability to settle claims, but the majority of those settled will relate to an incident from many years previously and initial investigations will have commenced pre-pandemic. We met our time to resolution Key Performance Indicator, which aims to reduce the amount of time taken to resolve a case, once a liability decision has been made.

Of the 15,674 settled claims in 2020/21, 43.8% settled without damages being paid. This compares to 43.1% in 2019/20.

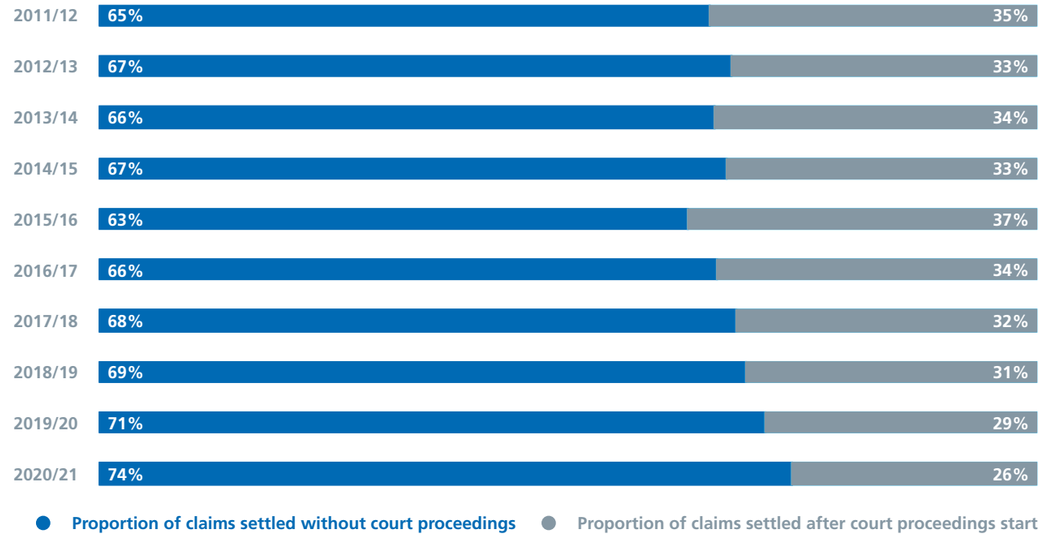
The percentage of claims settling without damages being paid will fluctuate, depending upon the nature of cases that are settled each year.

We settle cases in line with our strategic aim to resolve cases fairly. We settled the majority of claims without formal proceedings being required (74.7%, compared to 71.5% in 2019/20).

The large majority of claims settled prior to formal legal proceedings being required are managed in-house, with assistance from our legal panel. They resolve through negotiation via correspondence, at settlement meetings or another form of dispute resolution.

Only 56 (0.4%) of our claims proceeded to trial in 2020/21, compared to 93 claims (0.6%) in 2019/20. In 38 claims (67.9%) we were successful in achieving judgement in favour of the NHS, compared to 70 claims (75.3%) in 2019/20.

Figure 6: Litigation rate for clinical claims



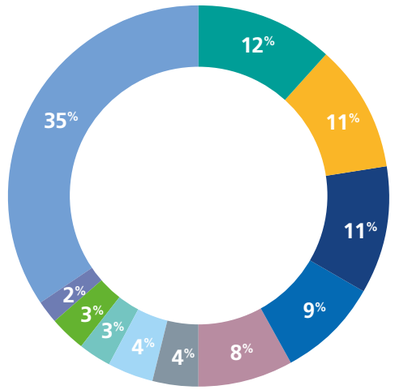
(Source: NHS Resolution Annual report and accounts 2020/21, Figure 17, page 56)

The percentage of cases settling before formal court proceedings are required has continued to increase, as a result of the actions taken to keep cases out of court.

- Just over a quarter of claims entered formal legal proceedings in 2020/21. Of those claims that enter formal court proceedings, 75.5% resulted in damages.
- Only 56 (0.4%) of claims went to trial in 2020/21 (93 claims (0.6%) in 2019/20).
- In 38 claims (67.9%) judgement was in favour of the NHS, compared to 70 claims (75.3%) in 2019/20.

For each year since our strategy 'Delivering fair resolution and learning from harm' was launched, the percentage of cases going into court has reduced to a new historical low and now stands at 26%.

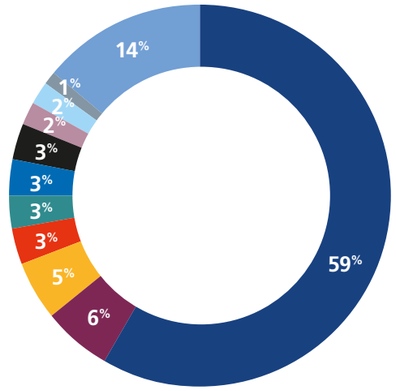
Figure 7: The number of clinical negligence claims reported in 2020/21 by specialty from a total of 10,816[4]



Orthopaedic surgery	12%	General medicine	4%		
Emergency medicine	11%	Radiology	4%		
Obstetrics	11%	Psychiatry/mental health	3%		
• Early Notification	2%	Urology	3%		
• Non-Early Notification	9%	Gastroenterology	2%		
Gynaecology	9%	Other	35%		
General surgery	8%				

(Source: NHS Resolution Annual report and accounts 2020/21, Figure 9, page 46)

Figure 8: Value of clinical negligence claims reported in 2020/21 by specialty across all clinical negligence schemes from a total of £7,113.8 million



Obstetrics	59%	Gynaecology	3%		
• Early Notification	27%	Neurosurgery	3%		
• Non-Early Notification	32%	General surgery	2%		
Paediatrics	6%	Radiology	2%		
Emergency medicine	5%	Neurology	1%		
Neonatology	3%	Other	14%		
Orthopaedic surgery	3%				

(Source: NHS Resolution Annual report and accounts 2020/21, Figure 10, page 46)

Obstetrics claims remain the largest proportion, at 59% of the total estimated value, and represents 11% of the number of 10,816 new claims received[5]. Without the addition of the 157 new Early Notification claims, the proportion of obstetric claims would have been 44% of total reserve values of new claims received.

While the volume of obstetrics claims forms a similar proportion of total claims received during the year, the value has increased from around 50% in earlier years to 59% in 2020/21. This is due to the recognition of an additional 192 (254 in total) Early Notification (EN) claims as we accelerated investigations to establish liability. The impact of the Early Notification Scheme and our accelerated activity in liability investigations on these claims has a direct impact on the value of clinical negligence claims reported.

EN claims now make up 2% of claims received by volume, and 27% by value, compared to less than 1% and 10% respectively for 2019/20. Not all of these claims will go on to have damages payments made against them.

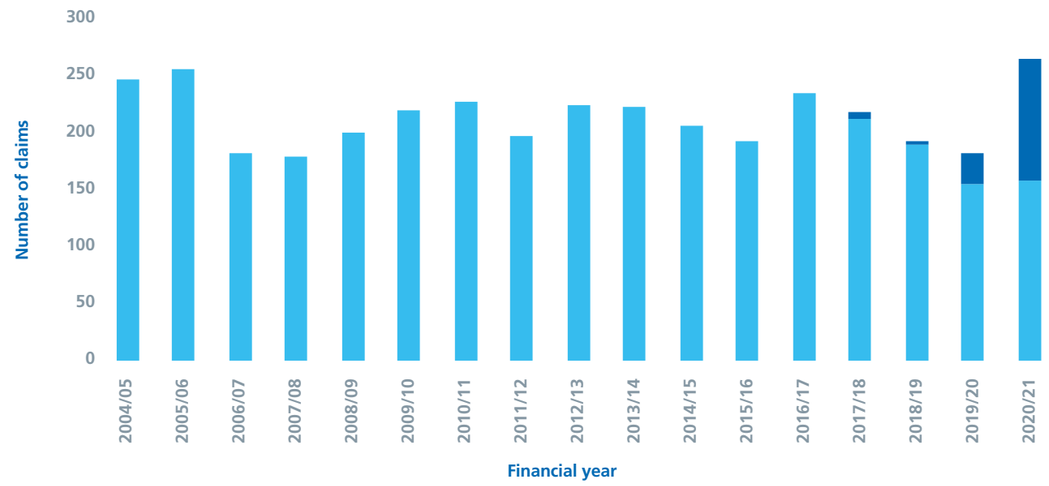
The profile of claims specialties has remained fairly similar to the previous two financial years, with emergency medicine and orthopaedic surgery being the top two specialties by volume. We have continued to see an increase in cases relating to gynaecology, of which a large percentage are associated with vaginal mesh incidents.

[4] This figure excludes data from our general practice indemnity schemes.

[5] Excluding claims and incidents with respect to our general practice indemnity schemes.

Maternity

Figure 9: The number of maternity cerebral palsy/brain damage claims over time across all clinical negligence schemes



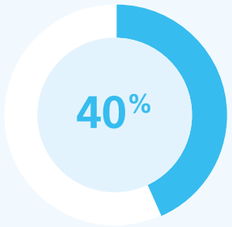
(Source: NHS Resolution Annual report and accounts 2020/21, Figure 18a, page 59)

Figure 10: The total value of maternity cerebral palsy/brain damage claims over time across all clinical negligence schemes

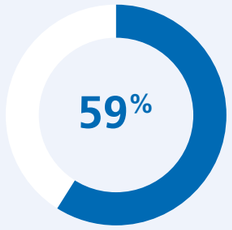
(Source: NHS Resolution Annual report and accounts 2020/21, Figure 18b, page 59)

There has been a significant increase in the number of Early Notification matters classified as a claim during 2020/21 due to the stage of investigation reached – a total of 107 claims at a value of £1,159 million compared to 28 and £234 million respectively for 2019/20. However, it should be noted that not all of these claims will go on to have damages payments made against them.

Figure 11: Some headline maternity statistics (as of 2020/21)

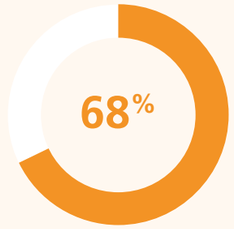


40% of claim payments for all clinical schemes (£2.3 billion) and hence contributions collected from members. The level of claim payments reflects past claims activity, so this is lower than the percentage of current notifications or the incurred cost of harm described below.



59% of claims by value (£7.1 billion) notified to us in 2020/21.

60% of the £7.9 billion incurred cost of harm in CNST relates to maternity (£4.8 billion as at 31 March 2021).



68% (72% in 2019/20) of the total CNST provision (£52 billion as at 31 March 2021) – higher than incurred costs because this includes the long-term payments due under a settled periodical payment order (PPO) relates to maternity.

(Source: NHS Resolution Annual report and accounts 2020/21, Figure 19, page 60)

Business priorities

Priority 1 Responding to Covid-19

From the beginning of February 2020 we implemented our business continuity plans, and our staff moved almost exclusively to remote working. In some circumstances our staff returned to clinical practice to help the NHS respond to the increasing demands of the pandemic.

Our aim has been to:

- deliver our services with minimal disruption;
- ensure that indemnity was not a barrier to novel arrangements needed to deliver vital care; and
- look after the wellbeing of our staff.

We ensured our existing schemes helped the NHS to rise to the challenge presented by the pandemic. Where gaps were identified, we introduced new indemnity schemes, for example for the Covid-19 vaccination programme, for NHS Test and Trace, and for independent sector healthcare workers providing NHS care. We agreed a ground-breaking Covid-19 protocol with claimant representative bodies to better manage claims during the pandemic. We continued to review our business continuity measures. This was to ensure we remained fit for our purpose and moved to deliver services virtually where possible.

Priority 2 Going further to deliver early resolution

To resolve claims fairly, reduce the time to resolution, curtail legal costs and reduce the need for formal processes, we continued to test a wide range of innovative dispute resolution techniques.

We expanded the use of 'resolution meetings' and 'stock-take' processes. Both approaches seek to resolve cases fairly and efficiently without the need for formal proceedings. We settled the majority of claims in-year without formal proceedings (74.7%, compared to 71.5% in 2019/20). These were settled via correspondence, at settlement meetings or via a form of dispute resolution, including formal mediation. Online mediation has proven to be effective. In 2020/21 of 299 mediated cases, 77% of cases settled on the day mediation took place or within 28 days of the mediation.

Our Early Notification Scheme sped up the identification of high value cases that might result in a claim. We developed processes to reduce the burden of reporting on frontline staff. For the Early Notification Scheme we updated guidance on reporting requirements and outlined key improvements to streamline the investigation process, which were implemented from 1 April 2021. Through the scheme, families with a baby affected by a severe hypoxic brain injury attributable to substandard care are better placed to receive answers and access to compensation sooner and without having to pursue court proceedings. To develop our Practitioner Performance Advice offer we successfully introduced new assessment models in relation to clinical performance and behaviour. We also introduced a new approach to the local assessment of clinical performance. We piloted a team review service to help organisations understand and manage behavioural and relationship issues affecting the function of the team.

Priority 3 Consolidating and communicating our offer to primary care

We took responsibility for the administration of a state indemnity scheme for general practice through the introduction of our CNSGP on 1 April 2019. Our role in primary care continued to evolve in 2020/21. We increased our staff numbers in order to embed fully the ELSGP.

This provides indemnity for the historical liabilities of current and former general practice members of two medical defence organisations who had entered into contractual arrangements with the Secretary of State in respect of their members' historical liabilities. From 6 April 2020, indemnity for liabilities relating to incidents prior to 1 April 2019 of members of the MDDUS was provided under ELSGP by Government to be administered by NHS Resolution. Preparations were also undertaken during the year to ensure that from 1 April 2021, existing and former general practice members of the Medical Protection Society in England were covered under the ELSGP.

We continue to provide services to primary care via our Practitioner Performance Advice and Primary Care Appeals services, closely working with key stakeholders such as NHS England and NHS Improvement. Expanding our role further supports our work in secondary care. This is demonstrated by our work to explore diabetes claims, where we have been able to map the transfer of care between primary and secondary healthcare settings. This made it far easier to investigate both the specific episode of (secondary) care addressed by the claim, and the care that preceded it.

Priority 4 Working with our partners to strengthen collaboration and share our insight

Our work in the field of improving patient safety, in partnership with others, focuses on two key areas: prevention of harm and improving the response to harm. We have worked with a range of organisations, such as the royal colleges, Getting It Right First Time and other NHS arm's length bodies, to derive learning and make recommendations from thematic reviews of emergency department and diabetes related claims, 'never events', assaults on staff and claims arising from learning disabilities.

We have commissioned our first academic partner, a consortium of London Southbank University and Staffordshire University. They will provide a range of services to support learning from harm and to help develop our Faculty of Learning, which is a repository of themed educational resources. We have worked closely with the Healthcare Safety Investigation Branch to improve the response to harm via our Early Notification Scheme.

Through the support of the eight members of a Collaborative Advisory Group, we have used our collective insights to support providers in improving standards of care through our Maternity Incentive Scheme. Trusts that demonstrated they achieved all of the ten safety actions within the scheme recovered their contribution to the CNST maternity incentive fund plus a share of any unallocated funds. Trusts that did not meet the safety actions did not recover their contribution, but were given the opportunity to apply for a smaller payment to help them to make progress against the actions they had not achieved. Our Practitioner Performance Advice service released a report looking at the pattern of concerns raised by healthcare organisations and another about cases raised during the pandemic.

Priority 5

Undertaking operational transformation to restructure our claims service and developing new ways of working to enable a London office move to a government hub

Significant preparations have been undertaken to develop our Claims Management service under our Claims Evolution Programme. Covid-19 had a huge impact on our ways of working. It provided an opportunity to test systems and processes with a remote workforce, in line with reduced desk space in our new London office.

In March 2021 we officially moved our London office to the government hub at 10 South Colonnade, Canary Wharf – in line with the government estates strategy – at a time when the vast majority of our staff remained working from home. We anticipate that this experience, coupled with our office move, will ultimately result in more of our workforce working remotely. Our internal Ways of Working programme sought to ensure our work environment remains inspiring, innovative and productive, and supported by reliable technology.

Priority 6

Setting our future course and starting work to transform our business intelligence capability and systems architecture

We recruited our first Chief Information Officer. She leads the work to improve our technology and data analytics capabilities and infrastructure.

We have completed some artificial intelligence proofs of concept research. This was to explore how advances in technology can assist us in accessing and learning from our data. This has included a document search tool, which will enable claims handlers and analysts to access information more quickly and easily.

We have also been collaborating with the NHSX Artificial Intelligence Lab and have initiated an NHSX Skunkworks project to explore the relationship between NHS datasets and claims volume.

Table 1: The year in numbers

	2019/20 (£ million	2020/21 (£ million)	Change (£ million)	%	
Funding for clinical schemes					
Income from members	1,951.3	2,243.7	292.4	15.0%	↑
Funding from DHSC (budget)	487.5	418.9	(68.6)	-14.1%	↓
Total funding	**2,438.8**	**2,662.6**	**223.8**	**9.2%**	↑
Payments in respect of clinical schemes					
Damages payments to claimants – excluding PIDR	1,413.4	1,367.0	(46.4)	-3.3%	↓
Damages payments to claimants – PIDR	269.8	242.8	(27)	-10.0%	↓
Claimant legal costs	497.5	448.1	(49.4)	-9.9%	↓
NHS legal costs	143.5	151.4	7.9	5.5%	↑
Total payments	**2,324.2**	**2,209.3**	**(114.9)**	**-4.9%**	↓
Funding for non-clinical schemes					
Income from members	52.1	65.0	12.9	24.8%	↑
Funding from DHSC (budget)	7.0	5.0	(2.0)	-28.6%	↓
Total funding	**59.1**	**70.0**	**10.9**	**18.4%**	↑
Payments in respect of non-clinical schemes					
Damages payments to claimants – excluding PIDR[6]	28.5	26.6	(1.9)	-6.7%	↓
Damages payments to claimants – PIDR	1.5	1.9	0.4	26.7%	↑
Claimant legal costs	18.1	16.3	(1.8)	-9.9%	↓
NHS legal costs	7.4	5.9	(1.5)	-20.3%	↓
Total payments	**55.5**	**50.7**	**(4.8)**	**-8.6%**	↓
NHS Resolution administration of schemes					
Clinical	19.4	24.2	4.8	24.7%	↑
Non-clinical	4.5	5.1	0.6	13.3%	↑
NHS Resolution other activities					
Income	1.0	0.8	(0.2)	-20.0%	↓
Expenditure	6.9	6.1	(0.8)	-11.6%	↓
Staff numbers	328	400	72	22.0%	↑
Provisions cost of claims					
Claims provisions[7]	3,057	992	(2,065.0)	-67.5%	↓
Provisions for claims	**84,053**	**82,785**	**(1,268.0)**	**-1.5%**	↓

[6] PIDR is the personal injury discount rate and is used by the courts to place a current value on claims settlements where there is an element of future loss.

[7] Total charge to Statement of comprehensive net expenditure – see Note 7.1 to the accounts for the breakdown and the Finance report section for explanation. The key change year on year is the change in provision for 'incurred but not reported' (IBNR) claims due to changes in financial assumptions.

(Source: NHS Resolution Annual report and accounts 2020/2021, page 15, Table 1)

Glossary

CNSGP: Clinical Negligence Scheme for General Practice.

CNSC: Clinical Negligence Scheme for Coronavirus.

CNST: The Clinical Negligence Scheme for Trusts indemnifies members for clinical negligence claims.

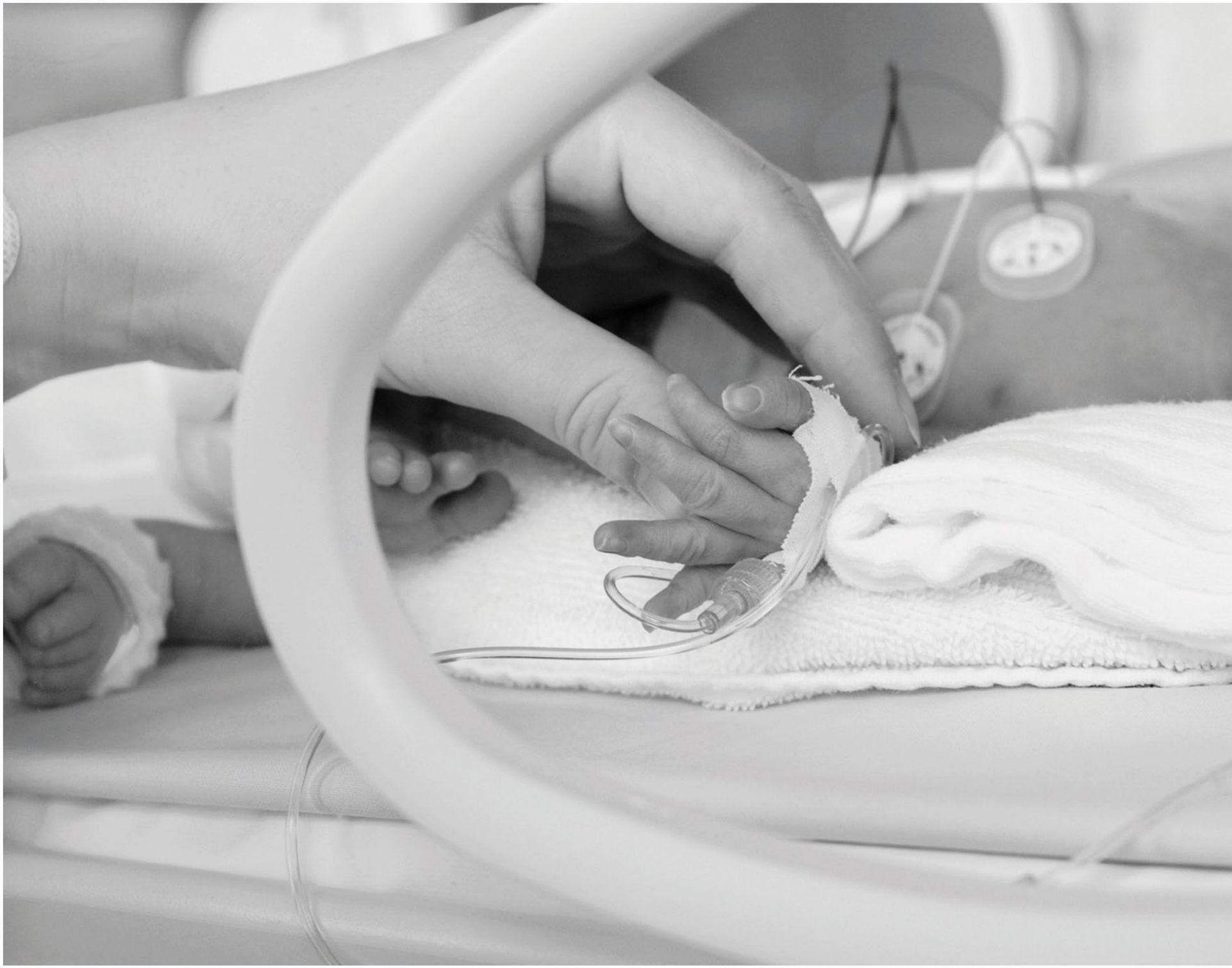
CTIS: Coronavirus Temporary Indemnity Scheme, a new scheme designed to manage indemnity arrangements for activities carried out in response to the pandemic, such as Designated Settings Indemnity Support for care homes.

ELGP: Existing Liabilities for General Practice. The Secretary of State has agreed interim arrangements with two Medical Defence Organisations, Medical Protection Society and Medical and Dental Defence Union of Scotland, in relation to NHS historical liabilities arising from general practice incidents that occurred prior to 1 April 2019. NHS Resolution carries out the Secretary of State's oversight responsibilities under those interim arrangements in relation to the management of claims for the liabilities within scope of the arrangements. The costs are funded out of the budget for the NHS held by NHS England and NHS Improvement, which are transferred to NHS Resolution via financing from DHSC.

ELS: Existing Liabilities Scheme is funded by DHSC and is a clinical negligence claims scheme that indemnifies pre-April 1995 incidents.

ELSGP: The Existing Liabilities Scheme for General Practice covers NHS historical liability claims of general practice members of medical defence organisations that enter into interim arrangements in respect of such liabilities. Liabilities within scope of the interim arrangements with the Medical Protection Society were covered under the ELSGP from 1 April 2021. Those within scope of the arrangements with the Medicaland Dental Defence Union of Scotland were covered under the ELSGP from 6 April 2020.

Ex-RHA: The Ex-Regional Health Authorities Scheme is funded by DHSC and is a clinical negligence claims scheme that indemnifies the liabilities of former regional health authorities.



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