



National Treasury
Management Agency

Annual Report & Accounts 2017



Gníomhaireacht Bainistíochta an Chisteáin Náisiúnta
National Treasury Management Agency

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NTMA 2017

At a Glance

The NTMA is a State body which provides asset and liability management services to Government. Its purpose is to manage public assets and liabilities commercially and prudently. The NTMA operates across five separate business units: Funding and Debt Management, the Ireland Strategic Investment Fund, the National Development Finance Agency, NewERA and the State Claims Agency.

Business Unit

Funding and Debt Management

Ireland Strategic Investment Fund

Description

The NTMA is responsible for borrowing on behalf of the Government and managing the National Debt in order to ensure adequate liquidity for the Exchequer and to optimise debt service costs over the medium term.

The NTMA controls and manages the Ireland Strategic Investment Fund (ISIF) which has a statutory mandate to invest on a commercial basis in a manner designed to support economic activity and employment in the State.

Key Figures

BOND ISSUANCE

€17bn

total bond issuance during 2017. Of this, €16.2bn was in benchmark bonds with the balance in private placements. The benchmark bonds were issued at a weighted average yield of 0.89% and a weighted average maturity of 12.4 years.

IRELAND'S FIRST SOVEREIGN INFLATION-LINKED BOND

€610m

sold by private placement, maturing in 2040.

FALLING DEBT SERVICE COSTS

€6.1bn

interest paid on National Debt compared with €6.7bn in 2016 – a decline of almost 10%.

INVESTING IN IRELAND

€667m

committed during 2017, bringing the total ISIF commitment to €3.3bn.

CO-INVESTMENT

€9.1bn

the total committed to Ireland including co-investment by private sector partners – a multiple of 2.7 times the ISIF commitment.

INVESTMENT RETURN AND ECONOMIC IMPACT

4.3%

investment return in 2017, with ISIF capital supporting over 1,800 Irish companies/projects and, directly and indirectly, over 30,000 jobs.

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National Development Finance Agency

Acting as the National Development Finance Agency (NDFA), the NTMA provides financial advisory, procurement and project delivery services to State authorities on public infrastructure projects.

NewERA

Through NewERA, the NTMA provides a dedicated centre of corporate finance expertise to Government, providing financial advice to Ministers regarding their shareholdings in major commercial State bodies.

State Claims Agency

Acting as the State Claims Agency (SCA), the NTMA manages claims brought against 146 State authorities, including the State itself. It also provides risk management services, advising and assisting State authorities in minimising their claims exposures.

PPP PROGRAMME

€1.5bn

the estimated total capital value of a range of education, health, justice and housing PPP projects being delivered by the NDFA.

DIVIDENDS

€232m

in combined dividends were received by the Exchequer from bodies within the NewERA Portfolio in 2016/17.

ESTIMATED OUTSTANDING LIABILITY

€2.7bn

from over 9,900 active claims being managed at end-2017.

SOCIAL HOUSING PPP

534

housing units to be delivered in Social Housing PPP Bundle 1, tendered in 2017.

ADVICE - DEBT FINANCING

€1.9bn

the value of debt financing-related requests from bodies within the NewERA Portfolio on which it provided financial analysis and recommendations in 2017.

MANAGING CLAIMS

€303m

the cost of resolving and managing ongoing active claims in 2017 – a saving of 23% against the independent actuarial assessment of €391m.

REFINANCING

€8m

in savings to the State from the successful refinancing of the Dublin Waste to Energy PPP project at Poolbeg.

ADVICE - CAPITAL EXPENDITURE

€2.1bn

the value of capital expenditure requests from bodies within the NewERA Portfolio on which it provided financial analysis and recommendations in 2017.

REDUCING LEGAL COSTS

€55.2m

the amount for which bills of costs received from third parties were settled in 2017 – a reduction of 48% on the €106.9m claimed.

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Chairperson's Statement

2017 witnessed a strong performance across the NTMA as we continued our commercial, yet prudent strategic approach to the discharge of our business mandates.

In the area of funding and debt management, we continued our strategy of taking advantage of favourable market conditions, where possible, through pre-funding, lengthening the maturity profile of the debt and smoothing out future redemptions. A noteworthy development in 2017 was the repayment of the remainder of our IMF funding and the bilateral loans from Sweden and Denmark, and their replacement with cheaper market funding. Our strategy provides significant insurance against the possibility of rising interest rates in the coming years. The weighted average maturity of Ireland's long-term marketable and official debt is estimated at a healthy 11.2 years at end-2017.

The ISIF earned an investment return of 4.3% in 2017 – a very satisfactory return in the current low interest rate environment, given that the majority of the ISIF assets are conservatively invested globally, pending their deployment in Ireland. Since its inception in late 2014, the ISIF has witnessed a significant improvement in the Irish economy and, consequently, a materially altered environment for investment. The ISIF investment strategy is currently being reviewed in consultation with the Minister for Finance and Public Expenditure and Reform.

The State Claims Agency's remit has grown in recent years, with an increased number of claims under management and a significant and growing estimated outstanding liability in respect of claims, some €2.7bn at end-2017. To increase our strategic focus in this area and to maximise the expertise available to us, the Board has established an SCA Strategy Committee to provide advice and guidance on strategic and policy issues with regard to the State Claims Agency. In addition to Board and management representation, the Committee has four external members with extensive expertise at a senior level in clinical practice, legal practice, risk management and the public service. Since its establishment in August 2017, the Committee has already proved of considerable assistance to the Board in the consideration of particular strategic and policy issues.

During 2017, the NTMA operated against the supportive backdrop of a domestic economy which continued its strong and broad-based growth and also an improved economic performance at a wider eurozone level. Despite this, there can be little doubt that the risks faced by the NTMA in its funding and investment mandates have increased over the last 12 months. This is due to a number of factors including the potential impact of Brexit on the economy, our dependence on the performance of the US economy – in particular its information technology sector, potential knock-on effects in Ireland from US corporate tax reform and the impact of ECB monetary policy. The anticipated withdrawal of quantitative easing in the eurozone represents an obvious risk. These increased risks and their implications for our business strategies will form an increasing area of focus for the Board and management through the course of 2018 and beyond.

I would like to thank my fellow Board members and the members of our committees for their dedication and commitment throughout 2017 and I look forward to their continued support in the year ahead. Finally, on behalf of the Board, I would like to thank the management team and staff, led by Conor O'Kelly, for their efforts and contribution over the past year.



Willie Walsh

Chairperson

29 May 2018



Chief Executive's Review

2017 represented a very active year for the NTMA as we issued €17bn in long-term debt at low yields and committed almost €700m in ISIF funding to investments in the domestic economy. The year also saw continued growth in the number and complexity of corporate finance advisory assignments requested of NewERA.

The NTMA issued €16.2bn of benchmark bonds during 2017, at a weighted average yield of 0.89% and a weighted average maturity of 12.4 years. A number of private placements, including Ireland's first ever sovereign inflation-linked bond, brought the total long-term issuance to €17bn. While our original stated funding range for the year was €9bn to €13bn, additional issuance was undertaken in order to fund the early repayment of loans from the IMF, Sweden and Denmark. The low interest rate environment that has pertained over the last number of years due to the ECB's quantitative easing programme has provided major benefits to bond issuers and Ireland has taken advantage of this. Over the 2015-2017 period, the NTMA has issued close to €40bn in new benchmark bond funding at a weighted average yield of just over 1% and a weighted average maturity of almost 14 years.

While our strategic approach of lengthening the maturity of our debt and locking in low borrowing costs affords us significant protection against the possibility of rising interest rates, our debt level remains high in absolute terms at over €200bn as a legacy of the financial crisis. Although our General Government Debt (GGD) to GDP ratio looks positive after falling from 120% at peak to 68% at end-2017, investors now place more emphasis on our absolute debt and other measures. For example, interest costs on the General Government Debt comprised 7.6% of Government revenue in 2017 compared with an EU average of 4.4%.

The investment gains generated by the ISIF – €674m in value since inception in December 2014 – demonstrate a very satisfactory performance in the current low interest rate environment. The ISIF committed €667m to 23 separate investments in 2017 including significant commitments in the areas of housing, connectivity, renewable energy, SMEs, food and agriculture, technology, and life sciences. The ISIF has also been very effective as a catalyst for private sector investment in Ireland. The €3.3bn committed by the ISIF to Irish investments from inception to end-2017 has been augmented by private sector co-investment to bring the total amount committed to Ireland as a result of ISIF activity to €9.1bn.

2017 saw substantial progress on the NDFA's Primary Care Centres and Courts PPPs with a number of facilities becoming operational and the remainder scheduled for completion in 2018. Construction has now commenced on the delayed Dublin Institute of Technology Grangegorman PPP. In addition, the NDFA is working on a bundle of three social housing PPPs with the objective of opening up an additional funding channel for social housing.

Work is also underway to complete delivery of Schools PPP Bundle 5, which will provide 4,870 student places across four sites. This project has been impacted by the liquidation of Carillion plc in January 2018 and the PPP Company and the project funders are currently working through a revised plan to complete the project as expeditiously as possible.

2017 saw further growth in the number and complexity of corporate finance advisory assignments requested of NewERA in relation to State companies outside its core remit and other projects with a significant corporate finance element. Following an agreement put in place during 2017 with the Department of Transport, Tourism and Sport, NewERA is providing ongoing financial and commercial advice on key State companies in the transport sector. During 2017, NewERA also provided advice in other sectors including a financial review and analysis of An Post's strategic and funding plan and the Vhi's strategic

and financial plan. In April 2018, An Post was added to the list of State bodies designated within NewERA's core remit.

The value of the estimated outstanding liability in respect of claims being managed by the SCA grew by €500m from €2.2bn to €2.7bn between end-2016 and end-2017. The value of the estimated outstanding liability is driven by clinical claims, primarily the high cost of settling catastrophic brain-injury infant cases. Clinical claims continue to represent the main focus for the SCA. A number of statutory changes, expected to be commenced in 2018, should be noted here. The introduction of regulations for Pre-Action Protocols should serve to dramatically reduce the timeline between the receipt of and settlement of medical negligence cases and remove the more adversarial elements of the tort system as it applies to such cases. The introduction of Periodic Payment Orders as an alternative to lump sum awards of damages will enable catastrophically injured victims' needs to be met with more certainty.

A priority issue for the SCA is the resolution of cases arising from the National Cancer Screening Services relating to women who have been diagnosed with cervical cancer, in line with the principles outlined by the Government. The SCA is seeking to expedite the resolution of these cases in a sensitive manner, working co-operatively with the co-defendant laboratories, utilising mediation wherever possible and placing a high priority on treating the people who have made the claims, and their families, with dignity and compassion.

The NTMA has worked closely with the Department of Finance and with Apple on the escrow fund in relation to the alleged Apple State aid recovery process. During 2017, the Minister delegated to the NTMA the conduct of the procurement process to appoint an escrow agent and custodian and investment managers for the escrow fund. The NTMA was also tasked with negotiating the investment policy for the fund with Apple, subject to the approval of the Minister. The collection of the alleged State aid from Apple commenced in May 2018 with the first of a series of phased payments to the escrow fund.

As I have noted previously, our success in achieving our corporate and business goals is wholly dependent on the quality and dedication of our people and it is essential that we can attract, develop and retain high quality employees. Irish workplaces have changed profoundly in recent years and as employers we need to recognise these changes. It is important that we develop a diverse and inclusive working environment that respects difference and values a range of experiences and perspectives in addressing the challenges we face.

In conclusion, I would like to thank all my colleagues for their contribution to the organisation during the past year. Your expertise, commitment and drive are helping to produce significant long-term value for the State. I would also like to take this opportunity to thank the Chairperson, Board and our committee members for the support, challenge and counsel they have provided to us over the past twelve months.



Conor O'Kelly
Chief Executive

29 May 2018

BUSINESS REVIEW

State Claims Agency

The SCA manages claims brought against the State. It also provides risk management services, advising and assisting State authorities in minimising their claims exposure.

Managing a Complex and Diverse Claims Portfolio



OUTSTANDING LIABILITY

€2.7bn

The SCA was managing 9,956 active claims with an estimated outstanding liability of €2.7bn at end-2017.



MANAGING CLAIMS

€303m

The cost of resolving and managing on-going active claims in 2017 was €303m – a saving of 23% against the independent actuarial assessment of €391m.

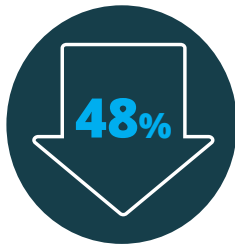


MATERNITY SERVICES CLAIMS

€1.4bn

Maternity services claims comprised €1.4bn or 70% of the total estimated outstanding clinical claims liability at end-2017. The high estimated liability associated with maternity services claims relates principally to the high cost of settling catastrophic brain-injury infant cases.

Reducing Legal Costs



In 2017, the SCA settled 440 bills of costs received from third parties for €55.2m – a reduction of 48% on the €106.9m claimed.

Enhancing Risk Management



During 2017, the SCA continued the roll-out of NIMS – a single ICT system to support the management of risk across its public service, including the healthcare sector – across State authorities. The total number of active users increased to approximately 2,000 from 800 at end-2016.

State Claims Agency (continued)

The NTMA is designated as the State Claims Agency (SCA) when managing claims against the State and State authorities and carrying out related risk management functions in order to reduce the costs of future litigation against the State.

The SCA's remit covers personal injury and third-party property damage risks and claims relating to 146 State authorities including the State itself, Government Ministers, the Attorney General, the Health Service Executive, the voluntary healthcare sector, An Garda Síochána, the Irish Prison Service, the Defence Forces and community and comprehensive schools. The SCA's Legal Costs unit manages third-party costs arising from certain Tribunals of Inquiry and claims for legal costs by parties who have successfully sued the State in respect of personal injury and other non-personal injury related actions.

CLAIMS AND LITIGATION MANAGEMENT

The SCA's claims management objective is, while acting in the best interest of taxpayers in matters of personal injury and property damage litigation, to act fairly and ethically in its dealings with people who have suffered injuries and/or damage and who take legal actions against the State or State bodies, and their families. In cases where the SCA investigation concludes that the relevant State authority bears some or all liability, it seeks to settle claims expeditiously and on fair and reasonable terms. If it considers, in individual claims or classes of claim, that the State is not liable, the SCA's policy is to defend those claims.

Active Claims

The SCA managed 9,956 active claims with an estimated outstanding liability of €2.7bn at end-2017.

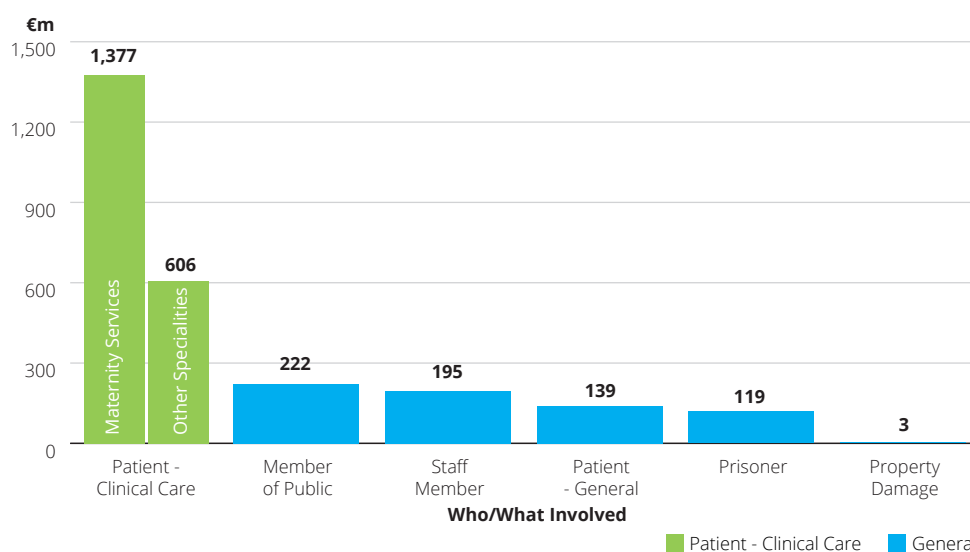
Active Claims at End-2017

	Claims	Estimated Outstanding Liability €m
Clinical	2,976	1,984
General	6,980	679
Total	9,956	2,662

Maternity services claims comprised €1.4bn or 70% of the total estimated outstanding clinical claims liability at end-2017. The high estimated liability associated with maternity services claims relates principally to the high cost of settling catastrophic brain-injury infant cases.

The total estimated outstanding liability of €2.7bn takes account of the Court of Appeal Decision in *Gill Russell v HSE*. The Court of Appeal held that the Real Rate of Return (RRR) in respect of the calculation of future care-related special damages should be 1%. It also held that the RRR in respect of all pecuniary losses should be 1.5%. The RRR used previously to calculate the estimated outstanding liability was 3%. Arising from the Court of Appeal Decision, the SCA paid "catch up" payments totalling €25m during 2017. These payments were made in respect of catastrophic injury cases, not fully resolved, where settlement had originally been agreed on a lump sum basis or by way of interim Payment Order for a defined period of time at the prevailing 3% RRR prior to the Court of Appeal decision. These cases, therefore, required to be adjusted for the effect of the lower rate by the payment of additional compensation.

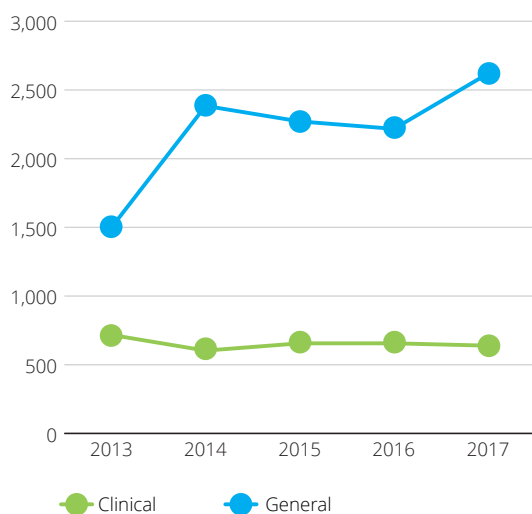
Breakdown of Estimated Outstanding Liability for Active Claims at End-2017



Figures may not total due to rounding.

The SCA received 3,259 claims and resolved 2,233 claims in 2017. There was an increase in the volume of new general claims received, driven in part by mass action claims and also by an expansion in the SCA's remit with the delegation of the management of claims relating to organisations in the voluntary disability sector to the SCA. By contrast, the volume of new clinical claims has remained relatively constant.

Clinical and General Claims Received 2013-2017



The cost of resolving and managing on-going active claims in 2017 was €303.2m compared with €251.5m in 2016. The 2017 out-turn represents a saving of 23% against the independent actuarial assessment of €391.1m.

Resolving Clinical Claims

The SCA resolves the majority of claims by negotiating a settlement, either directly with the plaintiff's legal advisors or through a process of mediation: 98% of clinical negligence cases handled by the SCA are settled without the necessity for a contested court hearing.

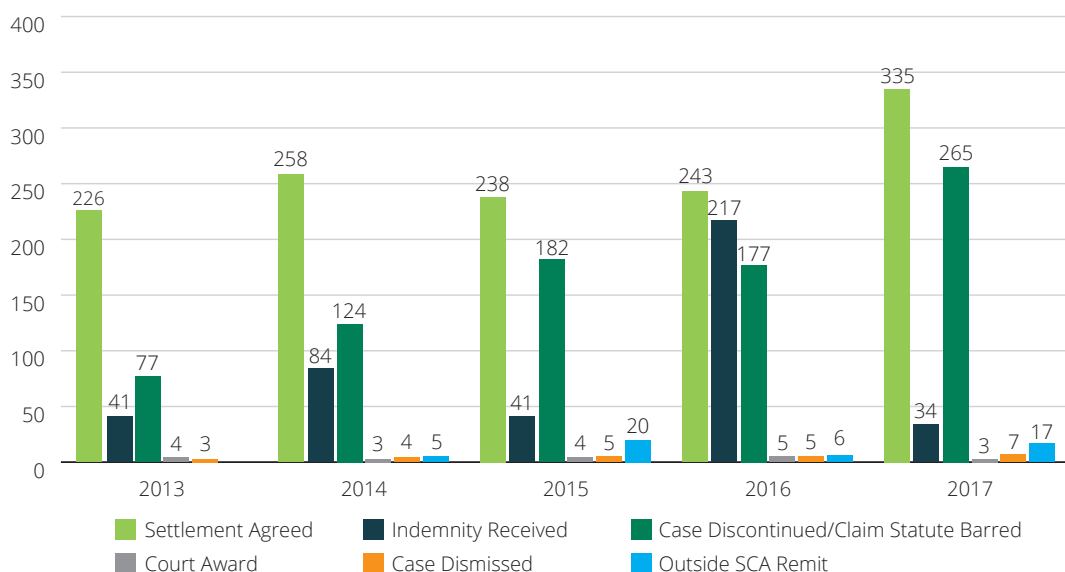
Statutory Reforms concerning the Resolution of Clinical Claims

The *Legal Services Regulation Act 2015* included three significant provisions to assist in the management of clinical negligence cases and reduce the number of cases that go to trial. These were:

- Provision for Ministerial power to make regulations for Pre-Action Protocols to facilitate timely communication between plaintiff and defendant and early identification of issues in dispute and to encourage early settlement;
- Provision that an apology by a medical practitioner does not constitute an admission of liability; and
- The Statute of Limitations period for the making of a clinical claim was increased from two to three years from the date of incident giving rise to the claim or the date of knowledge (if later).

It is expected that the regulations for Pre-Action Protocols will be introduced for medical negligence cases in 2018. This is likely to dramatically reduce the timeline between the receipt of and settlement of medical negligence cases and will also remove the more adversarial elements of the Tort system as it applies to medical negligence cases.

Clinical Claims Resolved 2013-2017 by Case Outcome



State Claims Agency (continued)

The *Civil Liability (Amendment) Act 2017* when it is commenced, will empower the courts, as an alternative to lump sum awards of damages, to make consensual and non-consensual Periodic Payment Orders to compensate injured victims in cases of catastrophic injury where long-term permanent care would be required. This will be of considerable importance to families of catastrophically brain-injured infants and adults whose injuries occurred as a result of a clinical negligence event. The introduction of Periodic Payment Orders (PPOs) guarantees that catastrophically injured victims will receive annual fixed payments in respect of care and aids and appliances thereby removing their families' worries associated with the investment of a lump-sum that it might run out prior to the plaintiff's estimated life expectancy.

Cost of Claims Resolved

Awards/settlements in respect of resolved clinical claims increased by 58% in 2017 when compared with 2016. This is principally due to the effects of catastrophic injury cases which previously settled by interim Payment Orders converting to lump-sum settlements. When these conversions are excluded, the underlying percentage increase compared with 2016 is 23%. This is principally due to the greater number of more serious claims being settled, having regard to the ageing effect of the portfolio.

Awards/settlements in respect of resolved general claims increased by 4% in 2017 when compared with 2016.

Cost of Claims Resolved 2013-2017

Clinical Claims	2013 €000	2014 €000	2015 €000	2016 €000	2017 €000
Cost for All Claims Resolved					
Awards/Settlements	35,979	44,622	45,493	54,494	86,222
Legal Fees – SCA	9,506	8,845	9,222	8,740	15,076
Legal Fees – Plaintiff	15,427	13,803	15,985	17,653	26,825
Other	1,248	1,176	1,624	1,708	2,784
Total	62,161	68,446	72,324	82,594	130,908

Average Cost per Claim Resolved

Average Awards/Settlements	103	93	93	83	130
Legal Fees – SCA	27	19	19	13	23
Legal Fees – Plaintiff	44	29	33	27	41
Other	4	2	3	3	4
Overall Average	177	143	148	126	198

General Claims	2013 €000	2014 €000	2015 €000	2016 €000	2017 €000
Cost for All Claims Resolved					
Awards/Settlements	11,249	16,161	17,195	23,657	24,715
Legal Fees – SCA	2,943	3,170	3,674	4,505	4,602
Legal Fees – Plaintiff	4,310	5,742	6,276	8,478	9,021
Other	827	881	1,017	1,233	1,312
Total	19,329	25,955	28,162	37,873	39,651

Average Cost per Claim Resolved

Average Awards/Settlements	8	11	13	15	16
Legal Fees – SCA	2	2	3	3	3
Legal Fees – Plaintiff	3	4	5	5	6
Other	1	1	1	1	1
Overall Average	13	18	21	23	25

Mass Actions

The SCA is managing a number of different mass actions against the State. Each mass action is managed by reference to a specific legal strategy, while acting fairly and ethically in dealing with people who have suffered injuries and/or damage and their families.

Active Mass Action Claims

Mass Action	Active End-2017	Received 2017	Finalised 2017
<p>In-Cell Sanitation</p> <p>These are cases taken by prisoners (current and former) against the Irish Prison Service alleging, inter alia, breach of their constitutional rights due to lack of in-cell sanitation.</p>	1,635	364	1
<p>Day School Abuse</p> <p>These are cases taken by persons who allege they were physically and/or sexually abused by persons whilst at school. Most of the cases were initiated following the ECHR Judgment in <i>Louise O'Keefe v Ireland</i>.</p>	146	9	29
<p>Shine Abuse Claims</p> <p>These are cases taken by persons who allege they were sexually assaulted by former consultant surgeon, Michael Shine, while they were patients in Our Lady of Lourdes Hospital, Drogheda and/or attending him at his private clinic.</p>	92	90	0
<p>Pandemrix/Narcolepsy</p> <p>These are cases taken by mostly infant plaintiffs alleging the development of narcolepsy and cataplexy following vaccination against the H1N1 flu virus.</p>	70	18	0
<p>Prison-Based TB</p> <p>These are cases taken by current and former prisoners and prison officers alleging testing positive for and/or contracting TB.</p>	63	5	23
<p>Lariam</p> <p>These are cases taken by current and former members of the Defence Forces, alleging severe psychosis type symptoms, following their ingestion of Lariam, an anti-malarial prophylactic drug prescribed for their use whilst on duty in sub-Saharan Africa.</p>	47	7	4
<p>Symphysiotomy</p> <p>These are cases taken by women who had a surgical, obstetrical procedure to widen their pelvis.</p>	35	0	95
<p>Thalidomide</p> <p>These are cases taken by persons born with physical disabilities whose mothers had ingested the Thalidomide preparation during pregnancy.</p>	34	0	0
<p>Metal-on-Metal Orthopaedic Implants</p> <p>These are cases taken by persons alleging personal injury having been surgically fitted with orthopaedic hip implants.</p>	22	6	14

State Claims Agency (continued)

SCA CASE OF PRECEDENCE 2017

ISABELLE SHEEHAN, A MINOR V DAVID CORR

A landmark ruling was delivered by the Supreme Court on 15 June 2017 clarifying the jurisdiction and methodology of the Taxing Master of the High Court in the assessment of solicitors' and counsels' fees. The case involved a review of the Taxing Master's decision to reduce the solicitor's general instructions' fees to €276,000 (down from €475,000 charged) in a catastrophic injuries case in respect of which the State Claims Agency provided indemnity for the costs incurred. The substantial reductions achieved on the Taxing Master's taxation of costs were affirmed by the President of the High Court by order of 6 March 2015.

The Court of Appeal disagreed and ordered a new taxation procedure with a move towards time-costing analysis as the foundation stone. Leave to appeal to the Supreme Court was granted and the Defendants' Appeal was supported by the Law Society and Bar of Ireland who were joined as amici curiae for the purpose of the appeal. The Supreme Court delivered a comprehensive judgment vacating the Court of Appeal order and holding, inter alia, that as a general proposition, the amount of time actually spent on a case should not be elevated above other relevant criteria provided for in the Rules of the Superior Courts. It was noted that the taxation of costs process had never before been canvassed to such extraordinary length and detail. The Supreme Court remitted the solicitor's costs for further taxation and provided important clarity and guidance as to the process to be applied in the proper scrutiny and assessment of solicitors' professional fees.

LEGAL COSTS UNIT

A Legal Costs Unit (LCU) was established within the SCA in 2013 to deal with third-party costs arising from certain Tribunals of Inquiry (the Mahon, Moriarty, Morris and Smithwick Tribunals). In 2015, the Government extended the LCU's responsibilities to management of all legal costs claims against the State.

The level of legal costs paid to plaintiffs' legal representatives is carefully examined and, wherever possible and by means of negotiations, the SCA seeks to achieve the maximum possible reduction in legal costs. If the SCA cannot successfully agree the level of legal costs to be paid to plaintiffs' legal representatives, the matter is determined by a Taxing Master.

In 2017, the SCA settled 440 bills of costs. The total amount claimed was €106.9m. These bills were settled for €55.2m – a reduction of 48% on the amount claimed. All of these claims were agreed without the necessity for taxation, thus avoiding delays in settlements and stamp duty charges at 8% of the taxed award.

RISK MANAGEMENT

The SCA's risk management objective is to implement targeted personal injury and property damage risk work programmes to mitigate litigation risk in State authorities and healthcare enterprises, in order to reduce the costs of future litigation against the State. The "risk universe" indemnified by the State and managed by the SCA is extensive. For example, it includes over 200,000 State employees and all public healthcare service users (public healthcare has approximately seven million contacts with members of the public per annum). It also includes public services that, by their nature, constitute higher risk activities such as the provision of clinical care in hospitals, Defence Forces personnel on operations overseas, members of An Garda Síochána on operational duty, customs inspections, emergency response services and custody of prisoners.

The SCA's clinical risk management programme focuses on collaboration with risk managers and other personnel in healthcare enterprises to support patient safety. The enterprise risk management programme focuses on providing advice and support to State authorities and healthcare enterprises in relation to risk management structures, maintenance of buildings, fire safety, health and safety, and environmental management.

Legal Costs Claims Settled 2017

	Number of Cost Claims Negotiated	Amount Claimed €m	Cost Claims Agreed €m	Legal Cost Saving %
SCA Clinical	156	37.2	21.9	41
SCA General	110	6.2	4.2	33
Mahon Tribunal	40	28.7	10.9	62
Moriarty Tribunal	9	11.8	5.7	52
Morris Tribunal	2	1.2	0.6	53
Referred by Chief State Solicitor's Office	123	21.7	12.0	45
Total	440	106.9	55.2	48

Figures may not total due to rounding.

Clinical Risk

The Clinical Risk Unit continued to support and monitor healthcare enterprises during 2017, tracking clinical incidents and providing support to clinical risk management teams, including regular site visits.

Significant clinical risk management activities in 2017 included:

- The publication of *National Clinical Incidents, Claims and Costs Report: lessons learned, a five year review: 2010-2014*. This provided an analysis of adverse incidents, clinical claims and associated costs over a five-year period;
- The publication of *Review of Medication Incidents Reported in Irish Hospitals*, based on a review undertaken in 2016; and the publication of a Patient Safety Notification for healthcare enterprises highlighting the critical issues identified in the report;
- The hosting of the Second Annual National Quality, Patient Safety and Clinical Risk Conference in Dublin Castle featuring Irish and international speakers; and
- Ongoing clinical risk management programmes including Open Disclosure (which has to date resulted in the training of 20,000 healthcare staff, 400 trainers, and the delivery of 4,300 workshops) and the Affinity Falls Prevention and Bone Health Programme. Both of these programmes are delivered in collaboration with the HSE.

Enterprise Risk

Each year, the SCA devises a risk management works programme to assist State authorities with the development and implementation of risk management policies and procedures. Significant enterprise risk management activities in 2017 included:

- A comprehensive programme of audits and audit reports. While all major State authorities were addressed in the audits, there was a particular focus on the healthcare and educational sectors. In addition to enterprise level reports, 'key national lessons learned reports' were compiled and provided to all of the sectors which had been audited;
- In March 2017, the Work Positive Critical Incident framework (WorkPositiveCI) developed by the SCA in collaboration with the Health and Safety Authority (HSA) and Critical Incident Stress Management (CISM) Network Ireland was launched. WorkPositiveCI is a stress audit tool to assist organisations to meet the requirements of the HSA's risk assessment for psychosocial hazards' requirements arising from work-related stress. In recognition of the innovative nature of the framework, the SCA was invited to present a paper on WorkPositiveCI at the International Critical Incident Foundation's 14th World Congress on Stress, Trauma and Coping. Since its launch, over 700 bodies have registered on the WorkPositiveCI website; and
- The inaugural SCA Enterprise Risk Recognition Awards ceremony for State Authority Network members was held in 2017. The awards acknowledged the work of State bodies in the area of enterprise risk management and commended the ongoing process of continuous improvement and progress in the management of risk across the State sector.



Córas Náisiúnta um Bainistíocht Teagmhais
National Incident Management System

The SCA launched the National Incident Management System (NIMS), the successor to the former STARSWeb system, in June 2014. NIMS is a confidential, highly secure web-based system. It is an end-to-end risk management tool that allows enterprises to manage incidents throughout the incident lifecycle. This includes:

- Reporting of incidents (including Serious Reportable Events);
- Management of investigations;
- Recording of investigation conclusions;
- Recording of recommendations;
- Tracking recommendations to closure; and
- Analysis of incident, investigation and recommendations data and other functionality.

NIMS provides State authorities' risk managers and the SCA's own risk experts with complex adverse incident data analysis to identify trends, hot spots and lessons learned, thus enabling risk management and mitigation responses that will both ensure the safety of service users, patients and State employees and ultimately reduce the cost of claims against the State in the future.

In 2017, the SCA continued the roll-out of NIMS across State authorities. During 2017, 173,000 incidents were recorded, representing an 8% increase on the previous year while the total number of active users increased to approximately 2,000 from 800 at end-2016. One hundred key management information reports were developed for higher-risk State authorities while NIMS itself was significantly enhanced.

In 2017, the SCA delivered a NIMS Aftercare Strategy, with the objective of increasing incident reporting and highlighting the other benefits NIMS has to offer. This included:

- New self-service 'Reporting at the Click of a Button';
- The development of a NIMS eLearning module;
- Bespoke quarterly reports for each State Authority including KPIs on reporting performance;
- Specific focus on incident reporting during audits including, if required, one-on-one training with NIMS users; and
- Improvements to reporting methods and NIMS system.

In response to users' requests, the SCA continues to enrich the functionality available on the system including the implementation of new incident review and investigation screens and electronic point of occurrence reporting. The SCA also commenced a major project to upgrade the system which will be completed in mid-2018. This will deliver significant cybersecurity benefits and next generation enhanced functionality.

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