

# Background Quality Report

## Armed Forces Compensation Scheme Biannual Statistics - 6 April 2005 to 31 March 2015

The purpose of a background quality report is to inform users of the statistics about the quality of the data used to produce the publication, and any statistics derived from that data. It also discusses existing uses of the statistics and user requirements.

This assessment relates to the biannual 'Armed Forces Compensation Scheme' statistics published by Defence Statistics.

### 1. Introduction

1. This biannual Statistical Notice provides summary statistics on claims and awards made under the Armed Forces and Reserve Forces Compensation Scheme (AFCS), paying compensation for injury, illness or death caused by Service. The following areas of information are covered:
  - The number of claims, reconsiderations and appeals registered under the scheme and the outcomes for these cases.
  - Service and demographic breakdowns for those awarded compensation.
  - The number of people in receipt of Guaranteed Income Payments (GIPs) and Survivors' Guaranteed Income Payments (SGIPs) under the scheme.
2. These statistics present trends over time since the scheme began on 6 April 2005 and further detail for the latest five quarters. For the first time these statistics also include information on clearance times – average working days it has taken for AFCS claims to be cleared by Veterans UK. This information has been included following consultation on the MOD Statistics Plan published in February 2015 which outlined the proposed change. A full response to the consultation will be published during the Summer of 2015.
3. The latest statistics (published 4 June 2015) are published as National Statistics, adhering to the UK Statistics Authority (UKSA) protocols on pre-release access.
4. Ad-hoc interrogation of the data used to compile these statistics is regularly undertaken by Defence Statistics in order to answer Freedom of Information requests, Parliamentary questions and internal queries from within the Ministry of Defence.

### Background

5. The AFCS came into force on 6 April 2005. It replaced the previous compensation arrangements provided by the War Pensions Scheme (WPS) and the attributable elements of the Armed Forces Pensions Scheme.
6. The AFCS is managed by Veterans UK. Full guidance and policy information on this scheme can be found on the Gov.uk website<sup>1</sup>.
7. Defence Statistics also publishes a separate annual report on claims and awards under the WPS which can be found on the Gov.uk website<sup>2</sup>.
8. These statistics were first released in September 2008 and subsequently published on a quarterly basis. Following the quarterly release in March 2011, Defence Statistics proposed a reduction in the frequency of the Armed Forces Compensation Scheme Official Statistic from quarterly reports to bi-annual reports (reporting on mid-financial year data in December and end of financial year data in

1. <https://www.gov.uk/pensions-and-compensation-for-veterans>

2. <https://www.gov.uk/government/collections/war-pension-recipients-index>

3. <https://www.gov.uk/government/publications/the-review-of-the-armed-forces-compensation-scheme>

June). The first bi-annual report was released in June 2011. These statistics were designated National Statistics in 2013, with the first National Statistic release in December 2013.

9. **AFCS Review:** In 2010 a review of the AFCS was conducted under the independent chairmanship of former Chief of Defence Staff, Admiral the Lord Boyce. The Review found the Scheme was fundamentally sound but required adjustment in some areas. A full summary of the Review can be found on the Gov.UK website<sup>3</sup>.
10. As a result of changes recommended by the Review, Veterans UK carried out an exercise to revisit previous awards and make additional payments. Please note that any changes made to the tariff levels following this exercise are not currently reflected in this publication. Therefore the tariff levels provided in the report reflect the pre-Review decision. Defence Statistics will investigate the use of data on CAPS to report on the post-Review tariff levels.
11. Clearance times analysis has been incorporated into these statistics for the first time following a high burden of requests for information from external users, including the media and the House of Commons Defence Committee (HCDC), wanting to obtain estimates of how long an individual may expect to wait for their claim outcome once submitted to Veterans UK.
12. The increase in interest in clearance times in more recent years is primarily driven by the Armed Forces Covenant, published in May 2011, which sets out the moral obligation of the nation to its members of the armed forces and their families. Therefore there is considerable public interest in the length of time injured (ex-)serving personnel and their dependants are waiting for financial compensation for service-related injury or death.

## Methodology

### *Data Sources*

13. The figures presented are based on data entered onto the Compensation and Pension System (CAPS) by Veterans UK, responsible for administering the scheme. Defence Statistics also receive quarterly datasets from the Veterans UK finance team which are used to produce Section 5 of the report on recipients of Guaranteed Income Payments. Veterans UK are also responsible for ensuring the quality of these data supplied to Defence Statistics.

### *Process*

14. The raw data extracts include non-genuine AFCS claims, 'spanning cases', that are removed by Defence Statistics prior to analysis. Spanning cases are claims considered first for entitlement under the Armed Forces Compensation Scheme, but passed to the War Pension Scheme where the cause or injury occurred prior to 6 April 2005. Between 6 April 2005 and 31 March 2015 there have been 11,900 spanning cases included within the Veterans UK workload but which are not reflected within these statistics. In order to provide specific figures for those who previously deployed on Operations in Iraq/Afghanistan following user interest, deployment data for Iraq and Afghanistan have been linked to AFCS data held on the Compensation and Pension System (CAPS).
15. The raw data extracts also include claims that are considered to be 'treat as never made' claims that also need to be removed prior to analysis. Prior to the publication of the latest report these claims were included within the analysis and reported with an outcome of 'withdrawn'. However, these records were incorrectly classified and should not have been included. Paragraphs 32 - 33 provide further detail on why these records are now removed from analysis.
16. Following the removal of non-genuine AFCS claims, Defence Statistics conduct a series of consistency checks on the data. For example, the numbers of records received is compared to the previous extract to ensure the total number is as expected. If any data quality issues are evident following receipt of data, Defence Statistics liaise with Veterans UK to determine whether any investigation is required.
17. The CAPS data are processed through a series of automated programming in a MYSQL database that produces a series of summary tables on AFCS claims and awards that are then used to populate final tables within the report. The tables within the report present information on claims and awards over the

1. <https://www.gov.uk/pensions-and-compensation-for-veterans>

2. <https://www.gov.uk/government/collections/war-pension-recipients-index>

3. <https://www.gov.uk/government/publications/the-review-of-the-armed-forces-compensation-scheme>

length of the scheme by financial year, as well as by quarter (for the latest five quarters). This enables both long-term comparisons (by financial year) and short-term comparisons (by quarter) to be made.

18. These statistics include, for the first time, information on average AFCS clearance times. Since this was a new process this information was produced manually (outside of the automated process). All closed genuine AFCS claims (claims with a 'cleared date' recorded on CAPS) were identified, and working days (to exclude weekends and bank holidays) between each claim being registered and cleared were calculated. Due to variations in the time taken to process each type of AFCS claim, average clearance times were calculated separately for each claim type: Injury/illness claims, survivors' claims, reconsiderations and appeals.
19. Information on AFCS claim clearance times (Section 3) has been presented as a median average with an inter-quartile range, rather than a mean average and standard deviation as these statistics are affected less by outliers. An outlier is an observation within a dataset that appears to be inconsistent with the remainder of the dataset.
  - The median is the value in the centre of the data set when they are arranged from smallest to largest.
  - A quartile is any of three values (first/lower quartile, second quartile (median), third/upper quartile) that divides the sorted (from smallest value to largest value) dataset into four equal parts. The lower quartile (LQ) is the value that at which 25% of the values in the dataset will be below. The upper quartile (UQ) is the value that at which 75% of the values in the dataset will be below.
  - The inter-quartile range (IQR) is the range in which the middle 50% of the data points fall (i.e. the distance between the lower and upper quartile). The longer the inter-quartile range the wider the spread of data.
20. The median has been presented in these statistics as it better reflects the average typical experience for the individual making a claim. The accompanying Excel tables to this publication (available at <https://www.gov.uk/government/collections/armed-forces-compensation-scheme-statistics-index>) also present the mean average. The mean average has also been presented as it is used internally as a measure of performance on the management of cases.
21. Further validation checks are carried out after the data has been processed to ensure that all processes and queries have run correctly and the final numbers are an accurate reflection of data received from Veterans UK. Manual checks are then carried out on the final report to ensure that figures quoted in the commentary reflect those in the tables, and that the numbers sum to the totals provided.
22. The statistics are subject to routine revisions as CAPS is a live data system and historic data is amended between data extracts. These figures can be identified by a revision marker ('r'). Due to ongoing data validation, some figures reported in the publication are marked provisional ('p') and may be subject to change in future releases.

## 2. Relevance

### Coverage

23. CAPS is the single source of data for AFCS and is used by Veterans UK to manage and record all registered claims and their progress through to outcome. Therefore, subject to accuracy, this report contains all AFCS claims made by regular and reserve personnel.
24. In line with Defence Statistics' Rounding Policy, all figures of five or more presented in this publication have been rounded to the nearest 5, and figures fewer than five have been masked as '~', totals may not add due to rounding. Percentages have been rounded to the nearest 1%.

## User Needs

25. These statistics have been provided in response to an increasing number of requests for information about claims and awards under the scheme, including the number of individuals currently in receipt of compensation payments under the scheme and time taken for a claim to be cleared.
26. A range of information is requested including further details of claims and awards (e.g. by claim type or outcome) and further information on those awarded compensation (e.g. age, sex or Service). Requests are also frequently made for information on AFCS awards made to specific sub-groups of people e.g. those who have been injured/deployed in Afghanistan, those who have been medically discharged for a specific condition, or those living in a particular area of the country. Defence Statistics are often able to link to other sources of data to provide this additional information.
27. In 2012 and 2013 Defence Statistics carried out an internal and an external consultation to review the War Pension Scheme (WPS) National Statistic and the Armed Forces Compensation Scheme (AFCS) Official Statistic to ensure they are coherent and continue to meet users' needs. The consultations were prompted by the UK Statistics Authority Assessment Report 197: Statistics on Defence Health, which required a review of the content of the publications in consultation with users.
28. Following the consultations the majority of the recommendations were implemented. Recommendations included presenting numbers in terms of people as well as the number of claims, presenting the time between claim and award and presenting information on numbers awarded who have been deployed.

## 3. Accuracy

29. Veterans UK are responsible for ensuring the quality of Compensation and Pension System (CAPS) data supplied to Defence Statistics. The CAPS is a large administrative database and is subject to the data quality issues of any large administrative system with data collated by a large number of staff for operational delivery purposes.
30. The main sources of potential error in the AFCS statistics are as follows:
  - Incomplete data extracts from Veterans UK
  - Data processing errors resulting in incorrect data outputs
  - Manual error during production of report tables, graphs and commentary
31. To ensure that potential errors are identified and resolved, Defence Statistics implement a series of data quality checks throughout the report production. These checks involve close liaison with Veterans UK when required, to ensure the accuracy of the figures published (see paragraphs 14 -16 for details).

### *Misreporting of the number of registered claims*

32. In November 2014 Defence Statistics and Veterans UK identified data quality issues that affected the number of registered claims and the number of claims with an outcome of 'withdrawn'. The extent of these issues were unknown at time of publication of the latest statistics in December 2014 and therefore Table 2.1 was not updated, and information presented within Tables 2.1, 2.2, 2.2a, 5.1 and 5.2 were marked as provisional. Further details of the identified data quality issues can be found in the [December 2014 release](#).
33. Since the last release Defence Statistics have worked with Defence Business Services (DBS) and Veterans UK to investigate the data issues. As a result of this work the following changes have been made which have resulted in the number of registered claims previously reported reducing.
  - a) Defence Statistics have included cases with an outcome of 'W' within the analysis and classified them as having an outcome of 'Withdrawn', where the claim was registered but later withdrawn by the claimant.

Veterans UK have advised that the 'W' code refers to cases classed as 'treat as never made'. These are cases that have been abandoned by Veterans UK, e.g. because the claim was

1. <https://www.gov.uk/pensions-and-compensation-for-veterans>
2. <https://www.gov.uk/government/collections/war-pension-recipients-index>
3. <https://www.gov.uk/government/publications/the-review-of-the-armed-forces-compensation-scheme>

added to the CAPS in error, the claim was made under the incorrect scheme and was passed over for consideration under the WPS, or if the claimant failed to provide the required medical evidence to continue assessing the case.

Due to the classification error, previous reports have over-reported the number of registered genuine claims presented in Table 2.1 by 2,220 claims (as at 31 March 2014).

This error also resulted in previous over-reporting on the number of cleared claims in Table 2.2 and Table 2.2a. These tables presented a 'Withdrawn' outcome, indicating that claims with this outcome were genuine claims that were later withdrawn by the claimant, though in fact most claims were not fully processed (for reasons identified in paragraph 25). This outcome has now been removed and therefore the overall numbers of cleared claims have dropped accordingly. The 'W' outcome code does also include genuine AFCS claims where the claimant has withdrawn their claim, but it is not possible to distinguish these cases from the data. Veterans UK have had advised Defence Statistics that such cases will be small in number and therefore all claims with an outcome code of 'W' have been removed from the data.

- b) Discrepancies in the number of registered claims reported by DBS and Defence Statistics led to Veterans UK identifying 1,751 (as at 31 March 2014) claims that had been registered on CAPS from 2007 onwards but had no cleared date or outcome recorded. These claims were not appearing in internal reports produced by Veterans UK. Veterans UK investigated these records and found that these were 'treat as never made' claims which had not been correctly closed from the system and were therefore being included in Defence Statistic analysis. These claims have since been removed.

#### *Incorrect processing of address information*

- 34. Since the September 2014 publication Defence Statistics have identified a processing error which led to the incorrect classification of reconsideration outcomes presented in Table 5.1. The error did not affect the total number of Reconsiderations reported. This has been corrected and a revised version of Table 5.1 is available in the Excel tables accompanying the publication: <https://www.gov.uk/government/collections/armed-forces-compensation-scheme-statistics-index>.

#### *Incorrect classification of reconsideration outcomes*

- 35. Since the September 2014 publication Defence Statistics have identified a processing error resulting in the use of the incorrect address field for in-Service personnel in Table 4.6. The error did not affect the total number of lump sums reported. This has been corrected and a revised version of Table 4.6 is available in the Excel tables accompanying the publication: <https://www.gov.uk/government/collections/armed-forces-compensation-scheme-statistics-index>.

#### *Provisional data*

- 36. These statistics are subject to routine revisions as the CAPS is a live data system and historic data is amended between data extracts. These figures can be identified by a revision marker ('r'). Due to ongoing data validation, some figures reported in this publication are marked provisional ('p') and may be subject to change in future releases.
- 37. Numbers of registered claims in the most recent financial year are subject to change since claims with no recorded outcome, at the time of the data extract, may go on to be recorded as 'treat as never made' cases, and thus will be removed from analysis when later publications are produced. Therefore 2014/15 figures are presented as provisional within this publication.

## **4. Timeliness and Punctuality**

### **Timeliness**

- 38. Data are provided to Defence Statistics on a monthly basis. From September 2008 to March 2011 figures were published on a quarterly basis. Following user consultation the frequency of publication was reduced from quarterly to biannual from June 2011.

- 1. <https://www.gov.uk/pensions-and-compensation-for-veterans>
- 2. <https://www.gov.uk/government/collections/war-pension-recipients-index>
- 3. <https://www.gov.uk/government/publications/the-review-of-the-armed-forces-compensation-scheme>

39. Figures as at 31 March and 30 September are published in early June and December respectively. It takes four weeks to extract, validate and process data extracted from CAPS. It takes a further six weeks to compile and quality assure the report.

### **Punctuality**

40. The National Statistics reports have all been published on time to meet pre-announced release dates. Future publication dates will also be announced on the Gov.UK at least one month in advance.

## **5. Accessibility and Clarity**

### **Accessibility**

41. The statistics can be accessed through the Gov.UK website at the following link:  
<https://www.gov.uk/government/collections/armed-forces-compensation-scheme-statistics-index>.
42. 24 hour pre-release access to the report is available to a limited distribution list within MOD. The full list can be found in the pre-release access list available on the Gov.UK website:  
<https://www.gov.uk/government/statistics/defence-statistics-pre-release-access-list>.

### **Clarity**

43. Users with an interest in the key findings can read a short summary of main messages within the Introduction of the report. The report is then split into six distinct sections to help users navigate their way through the publication.
44. Microsoft Excel versions of all AFCS report tables are also available on the Gov.UK website alongside each published report.

## **6. Coherence and Comparability**

### **Coherence**

45. The War Pensions Scheme was replaced by the Armed Forces Compensation Scheme in 6 April 2005. Although there are differences between the way the two schemes are structured, where possible, Defence Statistics attempt to keep summary tables consistent between the two publications to enable comparisons between the schemes.

### **Comparability Over Time**

46. Trends over time are presented since the scheme began from 6 April 2005, with some tables also presenting trends over time for the latest five quarters.
47. Trends over time are particularly relevant as the War Pension Scheme was replaced by the Armed Forces Compensation Scheme from 6 April 2005.
48. Since the start of the scheme, the number of injury claims registered has continued to increase steadily year on year. In the first year of the scheme, 2005/06, a total of 360 injury claims were registered, compared to 9,780 in the latest year, 2014/15. The increasing numbers of claims are due to a raised awareness of the scheme, as well as larger numbers who are eligible to claim, i.e. Service related injury/illness with an incident/onset date on or after 6 April 2005. The numbers are also likely to reflect the numbers of personnel injured as a result of Operations in Afghanistan.
49. Defence Statistics ensure that any changes in data sources or corrections to data are clearly shown in report tables and graphs. Where appropriate, historic trend information is corrected and provided in the accompanying excel tables.

1. <https://www.gov.uk/pensions-and-compensation-for-veterans>
2. <https://www.gov.uk/government/collections/war-pension-recipients-index>
3. <https://www.gov.uk/government/publications/the-review-of-the-armed-forces-compensation-scheme>

## 7. Trade-offs between output quality components

50. Defence Statistics minimise the cost to Government of producing these statistics through using data already collated for operational delivery purposes within the MOD's administrative system. As a large administrative system, data quality across fields is of varying quality and completeness and this limits the information available to customers in our statistics and requests for information.

## 8. Assessment of User Needs and Perceptions

51. In reference to the UK Statistics Authority report, The Use Made of Official Statistics, the AFCS statistics are used by:

- (i) Government – Policy Making
- (ii) Government – Policy Monitoring
- (iii) Local Government – Service Delivery
- (iv) Academia – Facilitating Research
- (v) Charities – Service Delivery

### Description of Users and Usage of Statistics

52. The AFCS statistics have been published in response to user demand. Interest has come from internal MOD policy makers, Parliament, Government Departments, the third Sector, academics, the media, and the general public.

53. The AFCS statistics are used by the following groups of customers:

- AFCS policy teams use these statistical publications as a basis for policy making. Veterans UK use these figures for background information and for planning purposes e.g. estimating the volume/workload for different types of claims. These statistics allowed Veterans UK to forecast the financial implications of proposed changes to the AFCS as part of the 2010 AFCS Review.
- External organisations such as Clinical Commissioning Groups (CCGs), local Government and Armed Forces charities (e.g. RBL) use the reports and location figures as part of estimating and planning veteran casework provision e.g. to assess the numbers and needs of Service personnel and veterans in their local area.
- AFCS statistics are also used by the media to give context to reports on Armed Forces Compensation.

54. The publication of the statistics also plays an important part in ensuring the Department's accountability to the British public.

55. AFCS questions from outside the MOD (e.g. FOI requests) tend to ask for more detailed information on the data provided e.g. age, Service, location breakdowns. Defence Statistics receive a high volume of requests asking for information on compensation paid out for particular conditions, and also for information on the financial amounts paid out in compensation to particular subsets of individuals. Defence Statistics also receive a high volume of requests from external organisations e.g. NHS Clinical Commissioning Groups and charities, who use breakdowns by detailed location for estimating the number of veterans in particular regions of the UK.

56. Following the MOD's launch of the Armed Forces Community Covenant in June 2011, Defence Statistics received an increasing volume of requests from within the MOD, local Government departments and CCGs for information on the number of veterans by location. This was required to assist with planning for the needs of Service personnel and veterans in each specific area of the UK.

57. To meet these requirements Defence Statistics compiled information on the numbers of Armed Forces Pension Scheme (AFPS), War Pension Scheme (WPS) and Armed Forces Compensation Scheme (AFCS) recipients with summaries by location. This was initially published in November 2011 and the latest update was published in May 2015 (as at March 2014). A further update (as at March 2015) will be provided later in the summer of 2015. The latest figures can be found on the Gov.UK

1. <https://www.gov.uk/pensions-and-compensation-for-veterans>
2. <https://www.gov.uk/government/collections/war-pension-recipients-index>
3. <https://www.gov.uk/government/publications/the-review-of-the-armed-forces-compensation-scheme>

website: <https://www.gov.uk/government/statistics/location-of-armed-forces-pension-and-compensation-recipients>.

### **Strengths and Weakness in Relation to User Needs**

58. Users external to the MOD are encouraged to give feedback via email ([DefStrat-Stat-Health-PQFOI@mod.uk](mailto:DefStrat-Stat-Health-PQFOI@mod.uk)).
59. Defence Statistics has carried out consultations to review the War Pension Scheme (WPS) National Statistic and the Armed Forces Compensation Scheme (AFCS) Official Statistic to ensure they are coherent and continue to meet users' needs. The consultations were prompted by the UK Statistics Authority Assessment Report 197: Statistics on Defence Health, which required a review of the content of the publications in consultation with users. (paragraph 26)
60. A consultation was carried out with internal stakeholders in September 2012. Based on the feedback received during the internal consultation, an external consultation was run alongside the release of the AFCS Official Statistic on 6 December 2012. This gave an opportunity for external customers to give feedback on the proposed changes to the AFCS and WPS publications.
61. During 2014/15, the Armed Forces Compensation Scheme Official Statistic averaged approximately 145 hits per month on the Defence Statistics external website.
62. The key strength of the Armed Forces Compensation Scheme data is the efficient methods adopted to capture AFCS data extracts. Validation checks are undertaken to ensure that the information provided in the reports is accurate.
63. The key weakness is that Defence Statistics have to rely on the level of detail that Veterans UK manually enter for each claim. There are also no other data sources that can be used to validate the information provided to Defence Statistics. Furthermore, a great deal of the information is recorded in free text fields.

## **9. Performance cost and respondent burden**

### **Operational Cost**

64. The production of AFCS statistics has required 0.58 FTE in 2014/15. This was broken down into the following:
  - Time taken per year to produce bi-annual AFCS national statistic (including report development) - 36 days
  - Time taken to respond to requests for information (45 received in 2014/15) – 90 days
  - General correspondence with Veterans UK and policy areas (7 days)
65. The AFCS report uses an administrative data source which is already collected by the MOD. Therefore, the main operational cost to production of the statistics is liaison with Veterans UK, for quality assurance and data interpretation.

## **10. Confidentiality, Transparency and Security**

66. Defence Statistics have data access agreements with Veterans UK with respect to obtaining the AFCS data extracts. All Defence Statistics staff involved in the production have signed a declaration that they have completed the Government wide Responsible for Information: General User training and they understand their responsibilities under the Data Protection Act and the Official Statistics Code of Practice.



67. Defence Statistics also adhere to the Defence Statistics Rounding Policy. Defence Statistics ensure that the AFCS data is kept confidential by holding this data on a secure server. Only individuals who work on the reports have access to the data. In presenting WPS and AFCS information, Defence Statistics provide as much detail as possible, whilst maintaining the medical confidentiality considerations of serving and ex-serving UK Armed Forces personnel.