

Background Quality Report

Armed Forces Compensation Scheme Biannual Statistics

1 Introduction

1. The Armed Forces and Reserve Forces Compensation Scheme (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.
2. This biannual Statistical Notice provides summary statistics on claims and awards made under the Armed Forces and Reserve Forces Compensation Scheme, 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 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 as at 30 September 2014.

Background

3. The Armed Forces and Reserve Forces Compensation Scheme (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.
4. Claims for injuries/illnesses as a result of Service can be made when an individual is still in Service. This is one of a number of differences between the AFCS when compared with the WPS. Further details on the WPS can be found on the Veterans UK website: http://www.veterans-uk.info/pensions/wdp_new_index.html. Defence Statistics also publish an annual report on claims and awards under the WPS which can be found on the Gov.uk website: <https://www.gov.uk/government/collections/war-pension-recipients-index>
5. The AFCS report provides trends over time since the scheme began on 6 April 2005 and further detail for the latest five quarters. This report was 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 June). The first bi-annual report was released in June 2011.
6. **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 at: <https://www.gov.uk/government/publications/the-review-of-the-armed-forces-compensation-scheme>

7. As a result of changes recommended by the Review, DBS 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 recorded on the live Compensation and Pension System (CAPS) and are therefore not reflected in this publication. Therefore the tariff levels provided in the report reflect the pre-Review decision. Defence Statistics will update this information in future releases, once the data is available on CAPS.

Methodology

8. The figures provided in this publication are based on AFCS data recorded by Defence Business Services (DBS) on the Compensation and Pension System (CAPS). Defence Statistics receive monthly extracts of the data held on the system, which are processed to provide summary figures. Defence Statistics also receive quarterly datasets from the DBS finance team which are used to produce Section 4 on the recipients of Guaranteed Income Payments.
9. DBS are responsible for ensuring the quality of AFCS data supplied to Defence Statistics.
10. When Defence Statistics receive the CAPS data extracts basic consistency checks are carried out. 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 DBS to determine whether any changes are required.
11. 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 DBS. 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.
12. The quarterly data is stored on a MYSQL database. Ad-hoc interrogation of the MYSQL Databases 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.
13. 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.

Current Data and Methodological issues

14. In November 2014 Defence Statistics and DBS identified data quality issues which have affected the number of registered claims and the number of claims with an outcome of 'withdrawn'. Previous reports have potentially over-reported the number of registered claims and under-reported the number of claims with an outcome of 'withdrawn'. Initial investigations indicate that approximately 7% of registered AFCS claims previously reported may not have been genuine.
15. Due to the uncertainty of the extent of the errors Table 2.1, number of registered claims, has not been updated in this release and all figures in Table 2.1 have been marked as provisional. Information on the number of withdrawn claims has continued to be reported

on as there is considerable external interest in the numbers and proportions of awarded vs. rejected claims. The number of withdrawn claims in Tables 2.2, 2.2a, 5.1 and 5.2 has been marked as provisional.

16. Defence Statistics will publish an updated version of this Statistical Notice on the Gov.uk website as soon as the data quality issues are resolved. A pre-announcement will be made prior to the re-release.

2. Relevance

Coverage

17. The figures presented in the report are split into the following four sections:
 - **Number of registered and cleared claims under the AFCS** - this section provides the overall numbers of claims registered and cleared under the scheme, broken down by claim type, financial year and quarter. This is provided to show the volume of claims that are dealt with under the scheme, the success rates associated with each type of claim and the key trends over time.
Note: that due to identified data quality issues, Table 2.1 presenting the numbers of registered claims has not been updated in the latest report.
 - **Recipients of Lump Sum Payments and Guaranteed Income Payments (GIPs) under the AFCS** - this section gives further details (e.g. by tariff level, Service, age-group, tariff of injury grouping) for all Serving/ex-Serving personnel who have been awarded compensation for an injury/illness caused by Service. Injury/illness claims make up the majority of all claim types and Defence Statistics deal with the highest volume of requests for this area. Therefore further details are provided to deal with the demand for information on these claims.
 - **Recipients of Guaranteed Income Payments** - this section gives information on the number of people who are in receipt of ongoing compensation payments under the scheme (i.e. Serving/ex-Serving personnel with more severe injuries at tariff levels 1-11, and spouses/children in receipt of compensation as a result of a death caused by Service. It also provides a summary of demographic factors for these individuals. A Guaranteed Income Payment (GIP) only begins when an individual leaves the Services and therefore this section is provided to show the number of people that are actually in receipt of a GIP, as opposed to the number who have been awarded a GIP.
 - **Reconsiderations and Appeals cleared under the AFCS** - this section provides the number of cleared reconsiderations and appeals by claim type, outcome and quarter. This is provided to show the key trends over the time and the success rates for each type of reconsideration and appeal. Information on success rates, especially for appeals, is frequently requested.
18. 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%.
19. The Armed Forces Compensation Scheme (AFCS) replaced the War Pension Scheme from 6 April 2005. Users may wish to consider figures relating to the War Pension Scheme from 2005 onwards alongside figures relating to the AFCS.

User Needs

20. These statistics have been provided in response to an increasing number of requests for information about claims and awards under the scheme, and the number of individuals currently in receipt of compensation payments under the scheme.
21. 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.
22. Defence Statistics recently 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.
23. A consultation was carried out with internal stakeholders in September 2012. Five responses were received to the internal customer consultation - three from DCDS Pers (the policy area for the two schemes) and two from DBS (the department responsible for processing claims under the schemes). 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. This consultation ended on 31 January 2013. No feedback was received during the external consultation. The proposed changes to the Armed Forces Compensation Scheme were:
 - a. **Include the number of people as well as the number of claims/awards in each report table. This has been proposed due to the high volume of requests Defence Statistics receive for the number of people who have made claims/been awarded under the scheme.**

These additional figures were added to the latest update of AFCS statistics, published on 6th June 2013.

- b. **To improve ease of interpretation and to increase the coverage of information on awarded injuries/illnesses, replace Tables 3.3 and 3.4 with just one table, that shows all awarded injuries/illnesses by tariff of injury table and tariff level grouping (1-11 or 12-15).**

The data required to produce these figures is currently being investigated with DBS - we aim to make this change in the December 2013 release of the statistics, dependant on the time required to investigate and validate the data.

- c. **Include summary figures on the number of personnel who deployed to Iraq or Afghanistan and then were subsequently awarded compensation. Also include summary information on amounts paid in lump sum compensation (dependant on availability of finance data). This information is frequently requested in information requests.**

Figures for number of personnel deployed to Iraq or Afghanistan and awarded compensation were included in the June 2013 AFCS statistics. We are investigating the potential to publish amounts paid in lump sum compensation in the future.

- d. Include information on elapsed time between incident dates, claims and awards. This will give individuals making a claim an idea of how long the claim process takes.**

We are investigating the potential to publish figures for clearance times in the future.

- e. Remove Table 4.3 – caseload flows by financial year - following consultation, this table was not deemed to be useful.**

This table was removed from the June 2013 statistics.

3. Accuracy

24. Defence Business Services (DBS) 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.
25. The main sources of potential error in the AFCS statistics are as follows:
- Incomplete data extracts from the DBS
 - Data processing errors resulting in incorrect data outputs
 - Manual error during production of report tables, graphs and commentary
26. 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 the DBS when required, to ensure the accuracy of the figures published (see paragraphs 11 and 12 for details).

4. Timeliness and Punctuality

Timeliness

27. 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.
28. 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

29. The National Statistics reports have all been published on time to meet pre-announced release dates. A one year release schedule outlining the following financial year's publication date is published on the Defence Statistics website. Future publication dates will also be announced on the UK Statistics Authority hub at least one month in advance.

5. Accessibility and Clarity

Accessibility

30. 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>.
31. 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

32. Users with an interest in the key findings can read a short summary of main messages within the Introduction.
33. The report is then split into two sections, including an index of all tables and charts, to help users navigate their way through the publication.

Section 1: Number of registered and cleared claims under the AFCS
Section 2: Recipients of Lump Sum Payments and GIPs under the AFCS
Section 3: Recipients of Guaranteed Income Payments
Section 4: Reconsiderations and Appeals cleared under the AFCS

34. 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

35. 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. For example, Defence Statistics provide the same detail of location breakdowns in each report to enable comparisons between the numbers of people in receipt of compensation under each of the schemes.

Comparability Over Time

36. 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.
37. Trends over time are particularly relevant as the War Pension Scheme was replaced by the Armed Forces Compensation Scheme from 6 April 2005.
38. 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 340 injury claims were registered, compared to 9,675 in the latest year, 2012/13. 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.

39. Defence Statistics ensure that any changes in data sources over time are clearly shown in report tables and graphs. For example since January 2009, Defence Statistics have been able to receive Guaranteed Income Payment (GIP) information directly from DBS (rather than having to use an external provider, Paymaster). This change in data source meant that Defence Statistics no longer needed to send individual records to be validated externally. Defence Statistics revised historical figures back to the point at which the DBS data supply began and this change resulted in minor revisions to the data. For example, the total number of 'in payment' claimants for March 2009 was revised from 320 to 335, a 5% change. This change in data source was marked in all affected tables of the report.

7. Trade-offs between output quality components

40. 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

41. 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

42. 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.
43. The AFCS statistics are used by the following groups of customers:
- Within the MOD, Deputy Chief of Defence Staff Personnel (DCDS Pers) use these statistical publications as a basis for policy making. DBS use the figures for background information and for planning purposes e.g. estimating the volume/workload for different types of claims. These statistics have allowed DBS to forecast the financial implications of proposed changes to the AFCS as part of the 2010 AFCS Review.
 - External organisations such as NHS trusts, 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.

44. 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 NHS trusts 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.
45. 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 March 2013. A further update will be provided in 2014. The latest figures can be found on the Gov.UK website: <https://www.gov.uk/government/statistics/location-of-armed-forces-pension-and-compensation-recipients>.
46. The publication of the statistics also plays an important part in ensuring the Department's accountability to the British public.
47. 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 primary care trusts and charities, who use breakdowns by detailed location for estimating the number of veterans in particular regions of the UK.

Strengths and Weakness in Relation to User Needs

48. Users external to the MOD are encouraged to give feedback via email (DefStrat-Stat-Health-PQFOI@mod.uk). Defence Statistics also hold annual UKDS user consultation meetings, to which internal and external interested parties are invited.
49. Defence Statistics have 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.
50. 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. Refer to paragraph 23 for a summary of the key changes proposed.
51. During 2010, the Armed Forces Compensation Scheme Official Statistic averaged approximately 60 hits per month on the Defence Statistics external website.
52. 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).

53. 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.
54. The key weakness is that Defence Statistics have to rely on the level of detail that DBS record for each claim. There is 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

55. The production of AFCS statistics has required 0.68 FTE in 2012. This was broken down into the following:
- Time taken per year to produce bi-annual AFCS official stat and VSI/SI tracking report (including report development) - 72 days
 - Time taken to respond to requests for information (31 received in 2012) – 71 days
 - i. 16 internal adhoc requests (34 days)
 - ii. 13 FOI requests (27 days)
 - iii. seven PQs (3 days)
 - iv. General correspondence with DBS and DCDS Pers (7 days)
56. 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 DBS, for quality assurance and data interpretation.

10. Confidentiality, Transparency and Security

57. Defence Statistics have data access agreements with DBS 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 Protecting Information Level 1 training and they understand their responsibilities under the Data Protection Act and the Official Statistics Code of Practice.
58. 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.