

To:
 Chief Executives (all local authorities including Wales)
 Clerks to Police, Joint Fire and Transport Authorities

Please circulate to those responsible for:
**Community Safety, Environmental Health/Trading
 Standards, Social Inclusion, Social Services, e-government
 champions**



Home Office Entitlement cards Consultation

13 November 2002

Home Office Entitlement Cards Consultation

Dear Colleague

Until 10 January 2003, the Government is consulting on whether it should introduce entitlement cards, which some people call identity cards. As a key deliverer of public services, local government views will be important on the likely use of an entitlement card to verify identity to provide access to local services.

If the proposals set out in the consultation paper were implemented, a universal entitlement card scheme would:

- provide people who are lawfully resident in the UK with a means of confirming their identity to a high degree of assurance;
- establish for official purposes a person's identity so that there is one definitive record of an identity which all Government departments can use if they wish;
- help people gain entitlement to products and services provided by both the public and private sectors, particularly those who might find it difficult to so do at present;
- help public and private sector organisations to validate a person's identity, entitlement to products and services and eligibility to work in the UK.

The Government does **not** wish to consult on the introduction of a compulsory scheme, by which it means a card which everyone would have and be required to carry at all times. But it would like views on a universal scheme where everyone who was lawfully resident in the UK (citizens and non-citizens) would need to register and obtain a card.

The **attached** consultation paper suggests that the potential benefits of an entitlement card scheme go much wider than an immigration control measure. It could provide a more efficient basis for administering public services by avoiding the need for people to provide the same personal information time and again to a range of public services. There would also be savings for service providers as there would

LG alert 388/02

be a single definitive source of information about people's identity and possibly a unique personal number for everyone registered on the system

The paper acknowledges however that the benefits of improving the provision of public services and reducing illegal immigration and identity fraud need to be considered alongside the arguments against a scheme. The Government recognises that there are strongly held views on both sides of the argument and wishes to see these explored fully during the consultation period.

The Government would ensure that a scheme complied with the requirements of the Data Protection Act 1998 by setting out the purposes of the central register on which a card scheme would be based in legislation and drawing up regulations for the use of any unique personal number which might be given to every person who registered. Under the suggested scheme set out in the consultation paper, the central register would **not** become the depository for a wide range of information held by different Government Departments or Agencies about individuals. The Government is clear that protection against intrusion or unauthorised access to personal information is crucial if any such scheme were to command public confidence.

Views are invited in the consultation paper from organisations in the public and private sectors on whether a card would be helpful to them in delivering their services, and what features they would like to see in a card scheme to allow them to make most use of it.

Some of the issues which local authorities might want to consider in responding are

- What local authority administered services might benefit from being linked to a card scheme? In particular are there services for which people need to re-identify themselves, for example as they move from one local authority area to another?
- What would be the transition costs of moving services onto a card scheme?
- Would access for local authorities to a central population register holding core information about people - name and address, date of birth, sex and unique personal number, be a benefit in improving services – and if so, would a card linked to such a register be more or equally important?
- What would be the relationship between a card scheme and its supporting database and the electoral register?
- Would a card scheme be helpful in enforcing proof of age and other trading standards regulations?
- Issuing cards which held biometric information might involve everyone having to make a personal visit when applying for a card. There would therefore be a need for a nation-wide network of local offices to help process applications as well as special arrangements for sparsely populated areas and people who were unable to travel to a local office. Would there be a role for local authorities in processing applications (as there is in some European countries)?
- What are the implications for social inclusion?

The LGA has set up a member task group to respond to the consultation and would be keen to hear your views in preparing the response. Please send comments to Liz Hobson by **Friday 6 December**, preferably by e-mail to liz.hobson@lga.gov.uk .

Yours sincerely



Home Office

Entitlement Cards Consultation - Issues for Local Authorities

What is the Government consulting about?

1. Until January 2002, the Government is consulting on whether it should introduce entitlement cards, which some people call identity cards. A universal entitlement card scheme would:

- (i) provide people who are lawfully resident in the UK with a means of confirming their identity to a high degree of assurance;
- (ii) establish for official purposes a person's identity so that there is one definitive record of an identity which all Government departments can use if they wish;
- (iii) help people gain entitlement to products and services provided by both the public and private sectors, particularly those who might find it difficult to so do at present;
- (iv) help public and private sector organisations to validate a person's identity, entitlement to products and services and eligibility to work in the UK.

2. The Government does **not** wish to consult on the introduction of a compulsory scheme, by which it means a card which everyone would have and be required to carry at all times. But it would like views on a universal scheme where everyone who was lawfully resident in the UK (citizens and non-citizens) would need to register and obtain a card.

Q1: Should the Government implement a universal entitlement card scheme?

What would the card be for?

3. By giving a clear indication that the holder of an entitlement card is lawfully resident in the UK, a card scheme could be a

powerful weapon in combating illegal immigration. The perception that once people manage to enter the country illegally they can work and obtain benefits and public services with impunity adds to the 'pull factor' which draws people into organised networks of people trafficking. A universal entitlement card scheme would give greater credibility to legal migration routes into the country. It would reduce the burden on legitimate employers who already check the immigration status of their employees by giving them a single, easily understood card to check. It would also help to prosecute unscrupulous employers who employ illegal workers for less than the minimum wage and undercut legitimate companies.

4. The potential benefits of an entitlement card scheme go much wider than an immigration control measure. It could provide a more efficient basis for administering public services by avoiding the need for people to provide the same personal information time and again to a range of public services. There would also be savings for service providers as there would be a single definitive source of information about people's identity and possibly a unique personal number for everyone registered on the system.

5. A card scheme could help prevent people becoming victims of identity theft and identity fraud, for example preventing parents suffering the distress caused when a criminal assumes the identity of their deceased child. Identity fraud costs the economy at least £1.3 billion every year and the level is rising. A card could also allow people to travel around Europe without the need to carry a passport book and might be useful to young people to help prove their age when purchasing age-restricted goods and services.

What are the disadvantages?

6. The arguments for and against entitlement or identity cards have been made many times since the wartime scheme was abolished in 1952. The benefits of improving the provision of public services and reducing illegal immigration and identity fraud need to be considered alongside the arguments against a scheme. People might be concerned that a card scheme might allow the Government to link together all of the information it held on individuals. If a card scheme was not secure, it could itself become the source of increased levels of fraud if cards could be forged. A card scheme would take some time

to implement and a project as complex as this would be might suffer delays and cost-overruns. The Government recognises that there are strongly held views on both sides of the argument and wishes to see these explored fully during the consultation period.

Q2: Would an entitlement card scheme be an effective way to:
(i) combat illegal immigration and illegal working?
(ii) administer public services more efficiently?
(iii) reduce identity fraud?

Q3: Are there any other suggestions you might have for what a card might be used for?

If the Government went ahead, how would the cards be issued?

7. The consultation paper sets out a suggested scheme in which the photocard driving licence and the recently announced passport card would both be equally acceptable forms of entitlement card. It is not possible to combine the exact format of both cards into one because of the specific requirements of the respective EU and international standards with which each card must comply. However, as the format of the UK passport card is yet to be decided, it will be designed to accord as close as possible with the format and layout of a photocard driving licence. Both will therefore fulfil the functions of an entitlement card. Not everyone in the country qualifies for a driving licence or a passport. These people will be offered a card at a lower cost than a passport or a driving licence which would look like a photocard driving licence minus the information on what vehicles the holder is entitled to drive. Examples of how the cards might look are shown below. This suggested scheme is one way cards could be issued. The Government is open to other suggestions.

8. In order to ensure that a card scheme would provide a greater level of protection against identity fraud, it is proposed that the checks currently undertaken for driving licence and passport applications should be strengthened. One of the most difficult parts of a person's identity to counterfeit is their historical background which can only be built up over time for example as they pass their driving test, apply for a passport and open bank accounts. The method of issuing entitlement cards would make greater use of checks on this type of information.

9. Another option which the Government would like to explore is the recording of biometric information as part of a card scheme. This could take the form of recording a fingerprint scan or the image of a person's iris (the coloured ring around the eye) as well as a digital photograph which is already taken for passports and driving licences. There would be strict controls on how this information was used. If it proved feasible and cost-effective, recording this information would greatly reduce the ability of fraudsters to create multiple false identities and provide a powerful way for people to prevent their own identities from being stolen. It would also help to stop people using other people's cards. However it is also important that the introduction of this technology should be acceptable to the general public and the Government would like to use this consultation exercise to seek people's views. This means whether it would be acceptable **in principle** for this information to be recorded and also whether it would be acceptable **in practice** as people would need to go somewhere where the appropriate recording equipment was installed when they applied for a card.

Q5: Should any scheme include the recording of biometric information? If so what type of information would you feel most comfortable in providing - fingerprints or iris images?

Will this not turn into a 'big brother' database where all the information the Government knows about everyone is stored in one place?

10. The Government would ensure that a scheme complied with the requirements of the Data Protection Act 1998 by setting out the purposes of the central register on which a card scheme would be

based in legislation and drawing up regulations for the use of any unique personal number which might be given to every person who registered. Under the suggested scheme set out in the consultation paper, the central register would **not** become the depository for a wide range of information held by different Government Departments or Agencies about individuals. The Government is clear that protection against intrusion or unauthorised access to personal information is crucial if any such scheme were to command public confidence.

11. An entitlement card would probably be issued in the form of a smartcard which incorporated a simple memory chip. This would allow other organisations to make more use of the card which in turn would help it become more useful to card-holders. There would be safeguards to ensure that information which might be held on the chip from one service provider was not made available to other service providers in an unauthorised manner.

Q6: What personal information should be displayed on a card and stored in the database which administered a card scheme?

How much will this cost?

12. The cost of a scheme would depend on whether biometric information was recorded, whether the card was a smartcard and how sophisticated the smartcard was. Over a three year period of developing the systems and a ten year period during which the cards would be valid, the total cost of a scheme could be around £1.5 billion. However these costs do not take into account any savings to the Government in terms of more efficient administration of services and reductions in fraud. Neither do they take into account any additional revenue from partners who might wish to use the card to help administer their services. It is only after this consultation exercise that the Government will be able to make an estimation of the savings to Government - as it needs to know what services people would like to see linked to a card and also whether and how other organisations would want to make use of it.

13. Even if the net costs of a scheme were as high as £1.5 billion, these could be recouped by increasing passport and driving licence fees and by charging a fee for the non-driving licence/entitlement card. The fee for the non-driving licence/entitlement card would be

lower than the current passport and driving licence fees (which are £30 and £29 respectively). The level of the fee increase would also depend on whether the card was a smartcard and how sophisticated the chip on the card would be. By recovering the cost through fees, there would be no need to divert funds from public services to pay for a card scheme. If a 10-year non-driving licence/entitlement card cost £15, passport and driving licence fees would have to rise by around £10-£14 depending on the sophistication of the card. If a 10-year non-driving licence/entitlement card cost £5 - which might be more affordable for less affluent groups in the population - this would mean a rise in passport and driving licence fees of around £14-£18, again depending on the sophistication of the card. For a further fee increase of £1, non-driving licence/entitlement cards could be made available free of charge to the 10 million least affluent members of society. The Government is also investigating the feasibility of paying by instalments for some types of entitlement card.

Specific issues for local government

14. Some of the issues which local authorities might want to consider in responding to the consultation exercise are:

- What local authority administered services might benefit from being linked to a card scheme? In particular are there services for which people need to re-identify themselves, for example as they move from one local authority area to another?
- What would be the transition costs of moving services onto a card scheme?
- One of the detailed issues discussed in the consultation paper is whether there should be a national register of everyone lawfully resident in the country which would not involve issuing cards to everyone on the register. Is it the personal information on such a register that would be most useful to local authorities in administering services, or is a card linked to such a register more or equally important?
- What would be the relationship between a card scheme and its supporting database and any national electoral register?
- Would a card scheme be helpful in enforcing proof of age and other trading standards regulations?
- Issuing cards which held biometric information might involve everyone having to make a personal visit when applying for a card.

There would therefore be a need for a nation-wide network of local offices to help process applications as well as special arrangements for sparsely populated areas and people who were unable to travel to a local office. Would there be a role for local authorities in processing applications (as there is in some European countries)?

How do I feed in my views?

15. The Government wants to see a full and informed debate on whether a scheme should be introduced. By allowing 6 months for comments, the Government hopes that people and interested organisations will have time to consider the issues in depth. If you would like to read the full consultation paper you can:

- Access it on-line at www.homeoffice.gov.uk/dob/ecu.htm
- Request a copy via email (entitlementcardsunit@homeoffice.gsi.gov.uk) or by post (Entitlement Cards Unit, Home Office, 50 Queen Anne's Gate, London, SW1H 9AT). You can also send in your views via email or letter to these addresses.