

CONFIDENTIAL

10 DOWNING STREET

THIS FILE MUST NOT GO OUTSIDE 10 DOWNING ST

FILE TITLE: <u>Identity Cards</u>		SERIES <u>HOME AFFAIRS</u>
		PART: <u>1</u>
PART BEGINS: <u>28 July</u> <u>MAY 1997</u>	PART ENDS: <u>16 Feb</u> <u>7 JUNE 2001</u>	CAB ONE:

closed

part

LABOUR
ADMINISTRATION

PREM 49/2018

CONFIDENTIAL



PART CLOSED

DATE CLOSED	7 JUNE 2001
-------------	-------------

Series : HOME AFFAIRS

File Title : Identity Cards

Part : 1

Date	From	To	Subject	Class	Secret
28/07/1997	SS/HO	DPM	Voluntary Identity Cards	R	0
31/07/1997	LPO	DOE	Voluntary identity cards	C	0
07/08/1997	SS/DoH	HS	Voluntary identity cards	C	0
18/08/1997	WO	SS/HO	Voluntary Identity cards	U	0
21/08/1997	FCS	SS/HO	Voluntary Identity cards	R	0
27/08/1997	CMS	SS/HO	Voluntary Identity cards	C	0
28/08/1997	MS/DETR	HS	Voluntary identity cards	C	0
30/08/1997	SS/SO	HS	Voluntary identity cards	C	0
01/09/1997	CDL	HS	Voluntary identity cards	U	0
16/09/1997	PboT	SS/HO	Voluntary Identity Cards	C	0
26/09/1997	HA/PS	PM	Voluntary ID Cards	R	0
06/10/1997	LC	PM	Voluntary ID cards	C	0
15/10/1997	Ch.Sfaff	HS	Voluntary ID cards	C	0
04/12/1997	CDL	Ch.Sfaff	Smart cards	R	0
09/12/1997	HS	DETR	Photocard driving licences	U	0
24/02/1998	LP	PUS/HO	PMB : Voluntary Personal Security Cards	U	0
18/11/1998	DoH	HO	Proof of age cards	C	0
18/06/1999	HS	PM	Welfare Fraud: Identity Cards	U	0
11/10/1999	HS	DPM	Identity Cards	R	0
14/10/1999	H/PU	PU	Identity Cards	U	0
19/10/1999	SS/DoH	HS	Identity Cards	U	0
20/10/1999	SS/NIO	HS	Identity Cards	U	0
21/10/1999	SS/SO	HS	Identity cards	R	0
25/10/1999	LC	DPM	Identity cards	U	0
26/10/1999	MS/DETR	DPM	Identity cards	C	0
10/11/1999	LC	HS	Identity Cards	U	0
25/11/1999	HS	PM	Identity Cards	R	0
26/11/1999	HO	HA/PS	Identity Cards	C	0
02/12/1999	PU	PM	National Identity Card	R	0
10/12/1999	HA/PS	HO	National Identity Card	R	0
10/12/1999	HA/PS	HO	National Identity Card - HS minute of 25/11/99	R	0
06/01/2000	HO	HA/PS	National Identity Card	U	0
16/02/2001	MS/DETR	PUS/DfEE	Connexions Card	U	0

FROM THE RT HON HILARY ARMSTRONG MP
MINISTER FOR LOCAL GOVERNMENT AND THE REGIONS



Malcolm Wicks Esq MP
Parliamentary Under-Secretary of State
Department for Education and
Employment
Sanctuary Buildings
Great Smith Street
LONDON
SW1P 3BT

DEPARTMENT OF THE ENVIRONMENT
TRANSPORT AND THE REGIONS

ELAND HOUSE
BRESSENDEN PLACE
LONDON SW1E 5DU

TEL: 020 7944 3000
FAX: 020 7944 4489
E-Mail: hilary_armstrong@detr.gsi.gov.uk

WEB SITE: www.detr.gov.uk

OUR REF: A/358101

16 FEB 2001

Dear Malcolm

Connexions Card

Thank you for your letter of 31 January, seeking views on the use of the Connexions Card as a proof of age.

There are no policy reasons within my Department which would lead me to oppose the use of the Connexions Card in this way. Additionally, my Department's lawyers have advised that there are no human rights issues involved if the use of the card for this purpose is voluntary.

I can, therefore, offer my support to the use of the Connexions Card for the voluntary purpose of proof of age.

I am copying this letter to Stephen Timms, Alan Howarth, Hugh Bayley, David Hanson, **Andrew Adonis** and to Sir Richard Wilson.

*Yours
Hilary*

HILARY ARMSTRONG



INVESTOR IN PEOPLE

From: THE PRIVATE SECRETARY



David North Esq
10 Downing Street
LONDON
SW1A 2AA

Dear David

1. ~~TH~~ I agree. But I do know
2. U < N.I.C. !!

This does not look to me like high-
ministry PIU territory. Surely if there is
real promise in a database contributing
to crime reduction, HO should take forward
the scoping work?

DN

HOME OFFICE
QUEEN ANNE'S GATE
LONDON SW1H 9AT
06 JAN 2000

DN
I agree on HO lead
I don't favour NIC!
g

NATIONAL IDENTITY CARD

Thank you for your letter of 10 December. The report enclosed with the Home Secretary's minute of 25 November addressed the arguments for a national identity card/database not just in the context of fraud but in the context of the contribution to the fight against crime generally. The Home Secretary's conclusion was that a identity card should not be pursued further, but that there was a good case for further work to assess the cost-effectiveness of a national identity database, ideally based on biometrics. The report enclosed with the Home Secretary's minute noted, however, that this would be a major cross-cutting project, which the PIU might be best placed to lead.

The principle underlying such a database, most obviously one based on DNA samples, is that evidence left by offenders at crime scenes can be checked against it. The principle is simple to state; but a lot of work is needed to establish the technological options (and how soon they can be enlarged) to assess costs, and to show how, by whom and over what timescale a database could be built up. A comprehensive database of this kind, although involving a major investment, has the potential to transform the entire criminal investigation process and should have a huge deterrent value. The Home Secretary would welcome the Prime Minister's confirmation that he would like this project put in hand, and whether he agrees that - while the Home Office clearly needs to have a major involvement - the PIU should lead it.

Given the risks of public hostility to a compulsory new national database to which the November report referred the Home Secretary would want to emphasise the importance of preparing a good handling plan before the project was initiated.

I am copying this to the Private Secretaries to members of HS Committee and to Sebastian Wood.

Yours ever

PP

HILARY JACKSON



10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

10 December 1999

Dear Hilary,

NATIONAL IDENTITY CARD

The Prime Minister was grateful for the Home Secretary's minute of 25 November, enclosing a report on the question of a single, national identity card.

The Prime Minister agrees with the report's conclusion that no clear, business case has been made for the introduction of a national identity card. He does not therefore think that more work should be done at this stage to assess the options for a national database. He has, however, asked whether, in addition to the arguments on fraud, there is a cost-effective case for a national identity card/database to contribute to the fight against crime. The Prime Minister would be grateful for the Home Secretary's assessment.

I am copying this to Private Secretaries to members of HS Committee and to Sebastian Wood (Cabinet Office).

Yours ever,

David

DAVID NORTH

Hilary Jackson,
Home Office.



✓ *fixed!*
Top: DN
C: B

Prime Minister

Annex A

IDENTITY CARDS

... You asked me to provide a report on the issue of a single national identity card, for you to consider alongside the outcome of the Welfare Fraud Group's further work on data sharing. A report, which has the agreement of HS colleagues, is now attached. The report concludes that the case for a national identity card is weak but that there are good arguments for exploring further the idea of a national identity database.

2. The report argues that no clear, business case has been made for the introduction of a national identity card. A card could not, in itself, offer the secure proof of identity necessary to control identity based welfare fraud, would be relatively expensive to introduce and would bring with it a number of other drawbacks. The report suggests that a national identity database, ideally based on biometrics and to which all public services would have access, would offer the only really secure means of establishing identity. This is a radical proposal and would inevitably involve a long term commitment. But it could offer significant benefits in terms of controlling fraud and other crime reduction which identity card schemes cannot provide. The technologies in this area are developing rapidly and I believe that there is a good case for undertaking further work to assess the options for a national database.

3. Public acceptability, and ECHR implications, would of course, be important considerations in assessing feasibility and we would need to address those issues at an early stage.

4. I am copying this letter to members of HS Committee.

John H. ...

25th November 1999

ID CARDS

A The context

1 Different departments maintain their own records of individuals to whom they provide services or documents. These databases have been built up for different business purposes, and include different kinds of information to identify or distinguish individuals. Some of this information (eg date of birth) is commonly held in many databases; some documentation (eg birth certificate) nevertheless has to be produced more than once when individuals ask for different services; and different bodies check identity to different standards, according to the value and importance of the service or document sought.

2 Annex A illustrates the range of practice. For some business purposes (eg DSS benefits and DVLA) it is essential that the database includes current address; for other purposes (eg passports) to update the database to show current address would not be necessary or, within current systems, cost effective.

3 The parameters of any identification system are the extent to which it can provide assurances of non-duplication and completeness ie assurances that each person has at most one and at least one entry in any database. The present arrangements covering individual Departments and Agencies do not score well on the first measure. It is also possible for one person to obtain multiple documents, including passports, through impersonation (eg "Day of the Jackal" fraud where someone uses the birth certificate of a child who has died many years previously).

4 Nor do the present arrangements assure completeness (even limited to people who are both United Kingdom citizens and resident in the United Kingdom). There is no single database which records every individual: eg the register of births does not include people born abroad who then acquire United Kingdom citizenship; and databases such as those relating to passports do not include people who do not want a passport. We have never had a national register of people living in the United Kingdom except in time of war, when everyone had to carry identity papers.

B Problems

5 The present arrangements permit identity fraud. The highest level of security now generally available relates to passports, and even here there are some successful impersonations (in 1998 UKPA detected 60 "Day of the Jackal" frauds). In the case of welfare fraud (estimated range £2bn-£5bn) DSS believe that the great majority of overpayments relate to misrepresentation of circumstances (eg income, number of dependents)

but that up to 1% of claimants may fail to provide adequate assurance of identity.

6 The present arrangements also involve bureaucracy and duplication: they fail to meet the Modernising Government aims that people should normally have to provide the government with the same information only once, and that more effective use should be made of the scope for transferring information within (and to) government electronically.

7 There is also a (second-order but presentationally important) problem of convenience. Because there is no national ID card – a single document which confirms identity which every individual can have – people may have to carry around with them a number of documents eg a proof of age card if they want to buy alcohol but do not have or do not want to carry around a document such as a driving licence or passport.

C What is already being done?

8 A wide range of initiatives are being taken forward across government which bear on these problems.

* The current welfare fraud strategy, which includes:

- the development of a directory showing which departments hold what personal data, to support
- the spread of systems (and where necessary the taking of statutory powers) for personal data to be exchanged between departments ("data sharing"), so that it can be cross-checked (both improving security and reducing the need for the same information to be provided more than once other than for cross-checking purposes)
- improved guidance and training on checking claims through questioning of claimants and documents
- improved use of intelligence to focus in-depth enquiries.

* Changes to civil registration procedures, including:

- a general review of the current arrangements, now the subject of public consultation
- a specific "Invest to Save" Budget bid by the Office of National Statistics, involving the downloading of information from central NHS registers to enable birth certificates to be checked against the GP registration

database, which would enable "Day of the Jackal" fraud to be detected

- * Improved passport application checks.
- * Follow-up to Modernising Government, including:
 - Cabinet Office-led development of plan for introduction of a range of smart cards, (backed by recent PIU e-commerce report) linked to various government services
 - payment of welfare benefits direct into bank accounts by 2003
- * The introduction of a passport card (within 18 months, subject to the successful rollout of new issuing arrangements to all UKPA offices).
- * Increasing usage of the photocard driving licence.

D Issues

9 Against this background there are three main issues which this paper goes on to address:

* What strategy should the Government develop for citizen identification, measured against tests of non-duplication, completeness, cost-effectiveness and individual convenience? In particular is there is a business case, in terms of welfare fraud savings or other advantages for a single database on which all individuals should be registered? And should individuation be based on historical data (eg date and place of birth, name and address of parents) or physical characteristics (eg DNA profile, fingerprints, retinal image)?

* If so, is there a case for a single card, supported by that database, which would constitute a national ID card? It is possible to create and use a database without a single matching card. Would such a card add value to the database itself or to the cards already in circulation or planned?

* If there is a case for such a card, how much compulsion should there be on individuals to have it? A card could be voluntary ; obligatory (ie linked to the provision of government services, so that over time it would in practice be difficult to avoid having one); or fully compulsory (ie a requirement to have one, although it need not be an offence to carry it at all times).

10 Public debate about identity cards has in the past concentrated on the second and third issues. But it is difficult to reach any definite

conclusions in the absence of a clear conclusion on the first. Arguably the need of many organisations for a more secure system of identification has overtaken the traditional debate about cards as such.

E Strategy for citizen identification

11 The strategic choice lies between.

- * The maintenance by Departments of their own systems for identifying "customers" and giving them reference numbers, but with more data sharing.

- * The creation of a new central identity database which Departments can access.

12 Key points on the first approach are:

- * It would not involve any significant unplanned expenditure.

- * Data sharing is still at an early stage. There is the potential for much progress (which data protection law does not block). Current data sharing exercises (eg a Customs/Revenue/DSS project focussed on the "rag trade") within the welfare fraud strategy should provide a basis for target reductions in identity fraud and hence savings to be set.

13 The second approach would be a radical change. Key points are:

- * To add security value a new database based on personal history information would need a higher level of non-duplication assurance than is now available. Checking information going on to a new database could cost over £1bn for coverage of all United Kingdom residents: this is based on the cost of passport-level checks.

- * To try to establish a complete personal history-based database quickly would be very difficult: leaving aside the problem of reaching United Kingdom citizens abroad, there could be widespread non-cooperation.

- * It would be more realistic and affordable to build up such a database over time, through registration of births (or on acquisition of citizenship/residence rights) but this would be a very long process. There would be no quick fraud-reduction payoffs, and a high risk that developments in technology over the life of the project would make it obsolete in that form. It would be possible to start the database with people claiming benefits for the first time; but anything less than a complete database which assured one entry per person would leave it open to claimants to claim in more than one name.

* So the removal of entries not just on death but removal abroad would be important.

* It would be possible to give each person registered on the database a unique PIN number; but by itself this would do nothing to prevent identity fraud through collusion and use of other people's numbers.

* The better and securer approach would be to build any new database on biometric foundations. The operational value of a biometric database lies in the ease and reliability with which someone can be checked against it. But there is – at present – no obvious best choice of technology. Some biometric systems (including fingerprint reading and dynamic signatures) exclude some sections of the population. The front-runners are retinal scanning and DNA profiling. The former can be done quickly and on any site, but still involves a significant error rate: both false positives and false negatives. The latter is the most reliable, and DNA profiles are themselves digitised and so themselves constitute a PIN number. But profiling involves expert processing in laboratory conditions (although checks against stored profiles could be carried out selectively eg where there were doubts about a claim).

* Problems of cost and public acceptability would be greater with a biometric than a personal history base. To take DNA reference profiles from all United Kingdom residents in a "big bang" would cost £2bn at current prices (though these could fall with higher volumes) and would need a major expansion of current technical capacity. Securing cooperation in providing samples would also be hugely problematic: leaving aside the elderly and disabled there could be resistance from many individuals, even if the idea of a database commanded majority support. In practice it might well again be necessary to build a database up over decades through taking samples at birth.

* A database of this kind could raise significant human rights issues. DNA or other biometric data could of course be protected by encryption; but there would be a continuing risk of ECHR challenge on privacy grounds which it is hard at this stage to foresee how courts in the future will view. No other country has a complete DNA citizen database.

14 Nevertheless a new central identity database would offer significant potential benefits:

* It should produce savings in fraudulent identity claims. It is, however, difficult to quantify the additional government savings to those which should come from data sharing and the other action under the current welfare fraud strategy.

* If the database were based on DNA (or fingerprint) profiles – though not retinal image data - there would be very large, long-term crime reduction/detection spin-offs. The police would be able to check forensic evidence at crime scenes against a much more complete database than is currently envisaged (4m samples from offenders over the next 3-4 years).

15 The establishment of a national identity database would be a huge political/investment decision; and the work carried out to produce this paper does not provide anything like a basis for taking it. There is an argument for commissioning a fuller assessment of the options now: this would be a major cross-cutting project which PIU might be best placed to lead. There is also a case for deferring such a study for 3-4 years until competing identification technologies have developed further so that the balance of advantage between them can be better judged.

E A single identity card

16 It would be possible to have an identity database without a specific matching identity card: Departments would access the database as needed to check identity but would be responsible for issuing their own documentation eg passports or NHS cards. What added value would a new card have?

17 Over the next few years the number of cards – some smart, some not – will grow. As noted above, driving licence cards and passport cards are likely to be widely held.¹ There will be a range of public sector smart cards: such as public transport cards (eg combined season/occasional purchase stored value function plus station parking) and local government 'city cards' (eg library or leisure centre admission/concessionary travel/school meal entitlement functions). DSS has no longer planning to introduce benefit cards. But it will be paying benefits in 90% of cases direct into bank accounts; and since bank cards are likely to incorporate a digital signature function, they could be used to interface with any Departments paying into or receiving money from the relevant account eg to update information relating to a claim which has already been authorised.

18 The advantages of a separate identity card are:

* It could provide rapid assurance of identity on production, but only if there were an assurance that the person producing the card is entitled to it, given that cards will be stolen and that people will try to forge them. This is where the problems of technology resurface. Photographs on cards can be simply checked; but they are not reliable and cards would need to be regularly updated. Embedding a PIN number in the card could not on its own prevent fraud by collusion eg using

¹ 30 million licence cards within 10 years and potentially up to the same number of passport cards

someone else's number with consent. A biometric database would need a biometric card. And if used to establish entitlement to high value services (eg welfare benefits) it is questionable how much time an ID card would in practice save. A voluntary card would be of little use. Even an obligatory or compulsory card would at best establish identity, not satisfaction of entitlement conditions. These would still have to be questioned; and, staff should still check that claimants' accounts of their personal circumstances is consistent and reliable. There would also have to be provision for people to claim benefits in emergencies without a card.

- * It could reduce "wallet litter" and do away with the need eg for proof of age cards. But it would be unlikely to make a significant difference to the total number of cards carried by most people. And an ID card would be a very valuable document. There is evidence of young adults' reluctance to carry photocard driving licences instead of proof of age cards when going out in the evening for fear of losing them. The same would probably apply to ID cards unless they were compulsory and it was an offence not to carry them.

- * An ID card could help in preventing or detecting crime or illegal immigration (especially if obligatory or compulsory). But it is not possible to quantify the benefits in either case. ACPO were last consulted on this point in 1995, when they saw some advantages, including the ability to check the identity of drivers at the roadside. But the compulsory carrying of driving licences when driving (now under consideration by Home Office Ministers) would be as effective.

19 A specific ID card would also have the following drawbacks:

- * Cards will be lost or stolen. An issue/replacement system would need to be quicker and more reliable than anything yet delivered by Government. If the supporting IT were not absolutely right, people could not get new cards when they needed them.

- * Impact on frontier controls. There is a real risk that a comprehensive ID card scheme would undermine the legal security of the Frontiers Protocol. The argument would be that it enabled a system of internal immigration control which made our system of frontier controls with other EU Member States unnecessary, but it is Government policy to maintain it. This risk would clearly be greatest with a compulsory scheme, but could still arise if cards were obligatory.

- * Cost. A comprehensive card system would probably cost £30m-£50m a year to maintain. Most if not all these costs would probably have to be met by the Government under an obligatory or compulsory scheme, though a voluntary scheme could be self-financing.

* Community and race relations. Even a voluntary scheme would be controversial, because of fears that it would not stay voluntary. An obligatory or compulsory scheme would create stronger opposition, including fears that the police would ask to see cards even without the power to arrest for non-compliance. ACPO has previously expressed concerns about the effect of a compulsory scheme on relations with the public; and powers to demand production of a card would undermine all the efforts that have been made to reassure ethnic minorities about stop and search. The effect on police/community relations would be very damaging. Possession of a card might enable members of ethnic minorities to deal with officialdom more easily; but the existence of such cards would fuel suspicions – whether rightly or wrongly – about the uses to which they might be put, if not now then at some future point.

20 Annex B sets out the position in other countries. There is no obvious pattern. Some have identity cards now because they were established many years ago. Examples of the successful introduction of cards in recent years are harder to find. A proposal to introduce cards in Australia in the 1980s aroused considerable public hostility and was withdrawn after the Government suffered a defeat in Parliament. We do not have good information about the assessed value of cards in other countries in defeating welfare fraud. But it does not look as if the systems used in other countries would provide safeguards additional to those here, as their cards appear to be based on the assignment of numbers which do not on their own provide good protection against fraud.

F Conclusion

21 There is a case, meriting further study, for establishing a secure biometric national identity database. But while it could bring substantial benefits there would also be large costs and large risks, including public resistance over a long timescale. If Ministers do not rule out further work for the time being on these grounds then the next step would be a more detailed assessment on the basis of likely developments in biometric identification technologies and their costs.

22 The case for introducing a special ID card looks weak. The spread of cards such as the passport card and photocard driving licence over the next few years will enable people to use them as de facto identity cards for many purposes, where it is not necessary to have stronger assurance of non-duplication than they can provide. It is a secure identity database rather than a related card that would help to combat fraud and other crime.

ANNEX B

IDENTITY CARDS IN OTHER COUNTRIES

Country	Voluntary	Compulsory	Need To Be Carried At All Times	Personal Identification Number	Comments
Austria	Yes	No	-	Yes (given to all employed persons)	Voluntary ID card obtainable from local police
Belgium	No	Yes (age 12 +)	Yes	Yes (Social Security Identification Number)	SSIN optional feature on ID Cards
Denmark	No	No	-	Yes (Civil Registration System)	CRS data held centrally (Danish equivalent of ONS)
Eire	No	No	-	Yes (PRSI number for benefit and income tax purposes)	Do not operate a single reference number system
Finland	Yes	No	-	Yes (issued at birth)	PIN appears to be main proof of ID (appears on passport, driving licence, etc)
France	Yes (widely used)	No	-	Yes (personal social security number issued when individual starts work)	Two-tier system (voluntary ID card and PSS number)
Germany	No	Yes	No	Yes (individual social insurance number)	
Greece	No	Yes	No (but produced when required)	Yes (national tax number)	ID card number, specific to card not holder
Italy	No	Yes	Yes	Yes (personal computerised identity number)	ID number issued by Ministry of Finance
Luxembourg	Yes	No	ID card or passport	No	
Netherlands	No	No	-	Yes (social-fiscal number issued shortly after birth)	
Norway	No	No	-	Yes (personal identity number issued by local municipalities at birth)	
Portugal	No	Yes	Yes	No	
Spain	No	Yes (age	Yes	Yes (number on	

		14 +)		ID card), plus social security number	
Sweden	No (but some form of photo ID usually required)	No	-	Yes (personal identity number issued at birth)	-
Australia	No	No	-	-	Photo driving licence widely used
Canada	No	No	-	Yes (social insurance number quite widely used)	
New Zealand	No	No	-	-	Photo driving licence widely used
USA	No	No	-	Yes (social insurance number)	Photo driving licence widely used

Document	Issuer	Photo?	Signature?	Address?	Security features?	Supporting evidence required by issuing Dept/body before issuing document
UK passport	UKPA	Yes	Yes	No	Yes	Birth cert or naturalisation/registration cert; counter signatory declaration; extra checks as appropriate.
Residence permit	HO/IND	Yes	Yes	Yes	Yes	Issued to EU national on sight of own-country passport
Aliens registration certificate	HO/IND	Yes	Yes	Yes	Yes	Issued by police on sight of own-country passport.
Immigration and Nationality Directorate (HO) travel document	HO/IND	Yes	Yes	No	Yes	Evidence of lengthy profiling period is required
Driving licence in photocard format	DVLA	Yes	Yes	Yes	Yes	Birth cert or passport + authenticated photo + supporting info
NINO card with NI number issued to adult	DSS	No	No	No	No	Evidence of life history is required
NINO card with NI number issued to 15 yr-old	DSS	No	No	No	No	Automatic issue to child for whom Child Benefit is paid
Benefit book	DSS	No	Yes	Yes	NI nos on some	Subject to same checks as benefit claims
Miscellaneous contributions forms	IR/DSS	No	No	No	Some	Issued (mainly) on same basis as NI numbers
Certificate of employment in HM Forces	MOD	Yes	Yes	No	Yes	Passport or combination of original birth cert/driving licence/P45 etc. Where none of the above are available, an endorsed photo may be acceptable.
Other-country passport or national ID card	non-UK	Yes	Yes	Some	Vary considerably	Basis of issue unknown & may be difficult to verify authenticity
Driving licence in paper format	DVLA	No	Yes	Yes	Yes	No ID check made; risk of impersonation. Limited evidence of ID
Medical card with NHS number	DoH	No	No	No	No	ONS check name on database before issue of NHS no; health authority then issue card with no further ID check
Building Industry sub-contractor's certificate	IR	Yes	Yes	No	NI number	Interview. Two forms of ID; driving licence, passport, rent book, bill etc.
Standard acknowledgement letter	HO/IND	Yes	Yes	Yes	Yes	Issued as evidence that asylum has been sought; not confirmation of ID
Birth, death, adoption, marriage certificate	ONS	No	No	No	Yes	Issued as evidence of event, not of ID; available for purchase by anyone. Also issued by local registration officers; marriages certificates by clergy.
Divorce, annulment, separation document	Court	No	No	No	No	Issued as evidence of event, not of ID
E111	DSS	No	No	Yes	No	Issued at Post Office; no ID check made. Little evidence of ID.
P45	Employer	No	No	No	No	Issued as evidence of gross pay and tax deducted. No ID check made
Pay slip	Employer	No	No	No	No	Varies - little evidence of ID
Rent book, rent card, tenancy agreement	Landlord	No	Some	Yes	No	Varies - little to no evidence required.
Gas, electricity, fixed-telephone or water bill	Utility co	No	No	Yes	No	Varies - usually some evidence of address. Limited evidence of ID.
Bus-pass, railcard, travelcard, season-ticket	Utility co	Some	Yes	Some	Not usually	Varies - unlikely to require much evidence.
Credit-card, debit-card, cheque-card	Bank	Some	Yes	No	Yes	Varies - likely to require evidence of financial status rather than ID
Bank or building-society statement, passbook	Bank	No	No	Yes	Varies	Varies - likely to require evidence of financial status rather than ID.
Life-assurance policy	Insce co	No	No	Some	No	Varies - probably little evidence required.
Store charge-card	Retailer	No	Not usually	Yes	Some	Varies - probably little evidence required.
Household bill other than utility	Retailer	No	No	Yes	No	Varies - probably little evidence of ID
Membership card of trade-union, club etc	Various	Some	Some	Some	Not usually	Varies - probably little evidence of ID

Approved



10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

10 December 1999

Dear Hilary,

NATIONAL IDENTITY CARD

The Prime Minister was grateful for the Home Secretary's minute of 25 November, enclosing a report on the question of a single, national identity card.

The Prime Minister agrees with the report's conclusion that no clear, business case has been made for the introduction of a national identity card. He does not therefore think that more work should be done at this stage to assess the options for a national database. He has, however, asked whether, in addition to the arguments on fraud, there is a cost-effective case for a national identity card/database to contribute to the fight against crime. The Prime Minister would be grateful for the Home Secretary's assessment.

I am copying this to Private Secretaries to members of HS Committee and to Sebastian Wood (Cabinet Office).

Yours ever,

David

DAVID NORTH

Hilary Jackson,
Home Office.

RESTRICTED

(F)

(B)

Prime Minister

Curiously, Jack has focused rather narrowly on the cost/benefit in terms of welfare fraud. His rather negative conclusion - including on public acceptability - is not therefore surprising.

He is right to say we need to look at the question of a national database as well as a single card. But in doing

more work we need to factor in wider benefits - eg in terms of crime reduction (particularly the link to DNA records); access to NHS services; and plain old convenience for citizens (fewer documents to produce; forms to fill etc). People are much less likely to get hung up on the civil liberties arguments if we can show real benefits for them. A PIO study on this?

From: Sharon White and Liz Lloyd

Date: 2 December 1999

cc: Jeremy Heywood
David North
David Miliband
Suma Chakrabati

Prime Minister

NATIONAL IDENTITY CARD

At your request, Jack has considered the case for a national identity card to tackle identity fraud.

Jack has come out against the idea. He makes the good policy argument that a card doesn't tackle the real problem facilitating identity fraud (which in itself is only 1% of all benefit fraud, the rest being about *circumstances*), which is that departments keep inaccurate records and seldom cross check their data with other agencies.

Jack's conclusion is that it would be better to explore the idea of a single national database, accessible to all government agencies, and has suggested it as a PIU project.

We have no problem with further feasibility work being done. But our guess is that this will find that the scheme is not cost effective. Jack's initial figuring suggests a database based on personal histories would cost £1 billion a year to keep accurate and one based on biometric information £2 billion to set up. It is very unlikely that the resulting fraud savings would match these sums, though there could be wider crime gains. It may turn out to be better value for money

RESTRICTED

for departments to devote more effort to keeping existing records updated and data sharing.

In addition to the problem of cost, the public are unlikely to find a national database acceptable, and certainly not one which is biometric, because of the read across to getting insurance and other services.

Do you want further work done on a national database?

Sam. No. I have a better case
for an identity card that I
can miss. The only issue
is: (a) does it help against
fraud? & (b) against crime?

From: THE PRIVATE SECRETARY

(f)



David North Esq
10 Downing Street
LONDON
SW1A 2AA

*Top - DN
cc PJ*

HOME OFFICE
QUEEN ANNE'S GATE
LONDON SW1H 9AT

26 NOV 1999

Dear David

com. attached from P. Lee

IDENTITY CARDS

The Home Secretary minuted the Prime Minister yesterday, copied to members of HS Committee, enclosing a report on identity cards. I am afraid that Annex A was missing when the report was despatched. It is now attached.

I apologise for any inconvenience this may cause. I am copying this to the private secretaries to members of HS.

Yours ever

Jane

JANE FOWLER

Document	Issuer	Photo?	Signature?	Address?	Security features?	Supporting evidence required by issuing Dept/body before issuing document
UK passport	UKPA	Yes	Yes	No	Yes	Birth cert or naturalisation/registration cert; counter signatory declaration; extra checks as appropriate.
Residence permit	HO/IND	Yes	Yes	Yes	Yes	Issued to EU national on sight of own-country passport
Aliens registration certificate	HO/IND	Yes	Yes	Yes	Yes	Issued by police on sight of own-country passport.
Immigration and Nationality Directorate (HO) travel document	HO/IND	Yes	Yes	No	Yes	Evidence of lengthy profiling period is required
Driving licence in photocard format	DVLA	Yes	Yes	Yes	Yes	Birth cert or passport + authenticated photo + supporting info
NINO card with NI number issued to adult	DSS	No	No	No	No	Evidence of life history is required
NINO card with NI number issued to 15 yr-old	DSS	No	No	No	No	Automatic issue to child for whom Child Benefit is paid
Benefit book	DSS	No	Yes	Yes	NI nos on some	Subject to same checks as benefit claims
Miscellaneous contributions forms	IR/DSS	No	No	No	Some	Issued (mainly) on same basis as NI numbers
Certificate of employment in HM Forces	MOD	Yes	Yes	No	Yes	Passport or combination of original birth cert/driving licence/P45 etc. Where none of the above are available, an endorsed photo may be acceptable.
Other-country passport or national ID card	non-UK	Yes	Yes	Some	Vary considerably	Basis of issue unknown & may be difficult to verify authenticity
Driving licence in paper format	DVLA	No	Yes	Yes	Yes	No ID check made; risk of impersonation. Limited evidence of ID
Medical card with NHS number	DoH	No	No	No	No	ONS check name on database before issue of NHS no; health authority then issue card with no further ID check
Building Industry sub-contractor's certificate	IR	Yes	Yes	No	NI number	Interview. Two forms of ID; driving licence, passport, rent book, bill etc.
Standard acknowledgement letter	HO/IND	Yes	Yes	Yes	Yes	Issued as evidence that asylum has been sought; not confirmation of ID
Birth, death, adoption, marriage certificate	ONS	No	No	No	Yes	Issued as evidence of event, not of ID; available for purchase by anyone. Also issued by local registration officers; marriages certificates by clergy.
Divorce, annulment, separation document	Court	No	No	No	No	Issued as evidence of event, not of ID
E111	DSS	No	No	Yes	No	Issued at Post Office; no ID check made. Little evidence of ID.
P45	Employer	No	No	No	No	Issued as evidence of gross pay and tax deducted. No ID check made.
Pay slip	Employer	No	No	No	No	Varies - little evidence of ID
Rent book, rent card, tenancy agreement	Landlord	No	Some	Yes	No	Varies - little to no evidence required.
Gas, electricity, fixed-telephone or water bill	Utility co	No	No	Yes	No	Varies - usually some evidence of address. Limited evidence of ID.
Bus-pass, railcard, travelcard, season-ticket	Utility co	Some	Yes	Some	Not usually	Varies - unlikely to require much evidence.
Credit-card, debit-card, cheque-card	Bank	Some	Yes	No	Yes	Varies - likely to require evidence of financial status rather than ID.
Bank or building-society statement, passbook	Bank	No	No	Yes	Varies	Varies - likely to require evidence of financial status rather than ID.
Life-assurance policy	Insce.co	No	No	Some	No	Varies - probably little evidence required.
Store charge-card	Retailer	No	Not usually	Yes	Some	Varies - probably little evidence required.
Household bill other than utility	Retailer	No	No	Yes	No	Varies - probably little evidence of ID
Membership card of trade-union, club etc	Various	Some	Some	Some	Not usually	Varies - probably little evidence of ID.

Annex A



2 forced!
Top: DN
(C:R)

Prime Minister

no - Index
Annex A.

IDENTITY CARDS

... You asked me to provide a report on the issue of a single national identity card, for you to consider alongside the outcome of the Welfare Fraud Group's further work on data sharing. A report, which has the agreement of HS colleagues, is now attached. The report concludes that the case for a national identity card is weak but that there are good arguments for exploring further the idea of a national identity database.

2. The report argues that no clear, business case has been made for the introduction of a national identity card. A card could not, in itself, offer the secure proof of identity necessary to control identity based welfare fraud, would be relatively expensive to introduce and would bring with it a number of other drawbacks. The report suggests that a national identity database, ideally based on biometrics and to which all public services would have access, would offer the only really secure means of establishing identity. This is a radical proposal and would inevitably involve a long term commitment. But it could offer significant benefits in terms of controlling fraud and other crime reduction which identity card schemes cannot provide. The technologies in this area are developing rapidly and I believe that there is a good case for undertaking further work to assess the options for a national database.

3. Public acceptability, and ECHR implications, would of course, be important considerations in assessing feasibility and we would need to address those issues at an early stage.

4. I am copying this letter to members of HS Committee.

John H. ...

25th November 1999

ID CARDS

A The context

1 Different departments maintain their own records of individuals to whom they provide services or documents. These databases have been built up for different business purposes, and include different kinds of information to identify or distinguish individuals. Some of this information (eg date of birth) is commonly held in many databases; some documentation (eg birth certificate) nevertheless has to be produced more than once when individuals ask for different services; and different bodies check identity to different standards, according to the value and importance of the service or document sought.

2 Annex A illustrates the range of practice. For some business purposes (eg DSS benefits and DVLA) it is essential that the database includes current address; for other purposes (eg passports) to update the database to show current address would not be necessary or, within current systems, cost effective.

3 The parameters of any identification system are the extent to which it can provide assurances of non-duplication and completeness ie assurances that each person has at most one and at least one entry in any database. The present arrangements covering individual Departments and Agencies do not score well on the first measure. It is also possible for one person to obtain multiple documents, including passports, through impersonation (eg "Day of the Jackal" fraud where someone uses the birth certificate of a child who has died many years previously).

4 Nor do the present arrangements assure completeness (even limited to people who are both United Kingdom citizens and resident in the United Kingdom). There is no single database which records every individual: eg the register of births does not include people born abroad who then acquire United Kingdom citizenship; and databases such as those relating to passports do not include people who do not want a passport. We have never had a national register of people living in the United Kingdom except in time of war, when everyone had to carry identity papers.

B Problems

5 The present arrangements permit identity fraud. The highest level of security now generally available relates to passports, and even here there are some successful impersonations (in 1998 UKPA detected 60 "Day of the Jackal" frauds). In the case of welfare fraud (estimated range £2bn-£5bn) DSS believe that the great majority of overpayments relate to misrepresentation of circumstances (eg income, number of dependents)

but that up to 1% of claimants may fail to provide adequate assurance of identity.

6 The present arrangements also involve bureaucracy and duplication: they fail to meet the Modernising Government aims that people should normally have to provide the government with the same information only once, and that more effective use should be made of the scope for transferring information within (and to) government electronically.

7 There is also a (second-order but presentationally important) problem of convenience. Because there is no national ID card – a single document which confirms identity which every individual can have – people may have to carry around with them a number of documents eg a proof of age card if they want to buy alcohol but do not have or do not want to carry around a document such as a driving licence or passport.

C What is already being done?

8 A wide range of initiatives are being taken forward across government which bear on these problems.

* The current welfare fraud strategy, which includes:

- the development of a directory showing which departments hold what personal data, to support
- the spread of systems (and where necessary the taking of statutory powers) for personal data to be exchanged between departments ("data sharing"), so that it can be cross-checked (both improving security and reducing the need for the same information to be provided more than once other than for cross-checking purposes)
- improved guidance and training on checking claims through questioning of claimants and documents
- improved use of intelligence to focus in-depth enquiries.

* Changes to civil registration procedures, including:

- a general review of the current arrangements, now the subject of public consultation
- a specific "Invest to Save" Budget bid by the Office of National Statistics, involving the downloading of information from central NHS registers to enable birth certificates to be checked against the GP registration

database, which would enable "Day of the Jackal" fraud to be detected

- * Improved passport application checks.
- * Follow-up to Modernising Government, including:
 - Cabinet Office-led development of plan for introduction of a range of smart cards, (backed by recent PIU e-commerce report) linked to various government services
 - payment of welfare benefits direct into bank accounts by 2003
- * The introduction of a passport card (within 18 months, subject to the successful rollout of new issuing arrangements to all UKPA offices).
- * Increasing usage of the photocard driving licence.

D Issues

9 Against this background there are three main issues which this paper goes on to address:

* What strategy should the Government develop for citizen identification, measured against tests of non-duplication, completeness, cost-effectiveness and individual convenience? In particular is there a business case, in terms of welfare fraud savings or other advantages for a single database on which all individuals should be registered? And should individuation be based on historical data (eg date and place of birth, name and address of parents) or physical characteristics (eg DNA profile, fingerprints, retinal image)?

* If so, is there a case for a single card, supported by that database, which would constitute a national ID card? It is possible to create and use a database without a single matching card. Would such a card add value to the database itself or to the cards already in circulation or planned?

* If there is a case for such a card, how much compulsion should there be on individuals to have it? A card could be voluntary ; obligatory (ie linked to the provision of government services, so that over time it would in practice be difficult to avoid having one); or fully compulsory (ie a requirement to have one, although it need not be an offence to carry it at all times).

10 Public debate about identity cards has in the past concentrated on the second and third issues. But it is difficult to reach any definite

conclusions in the absence of a clear conclusion on the first. Arguably the need of many organisations for a more secure system of identification has overtaken the traditional debate about cards as such.

E Strategy for citizen identification

11 The strategic choice lies between.

- * The maintenance by Departments of their own systems for identifying "customers" and giving them reference numbers, but with more data sharing.

- * The creation of a new central identity database which Departments can access.

12 Key points on the first approach are:

- * It would not involve any significant unplanned expenditure.

- * Data sharing is still at an early stage. There is the potential for much progress (which data protection law does not block). Current data sharing exercises (eg a Customs/Revenue/DSS project focussed on the "rag trade") within the welfare fraud strategy should provide a basis for target reductions in identity fraud and hence savings to be set.

13 The second approach would be a radical change. Key points are:

- * To add security value a new database based on personal history information would need a higher level of non-duplication assurance than is now available. Checking information going on to a new database could cost over £1bn for coverage of all United Kingdom residents: this is based on the cost of passport-level checks.

- * To try to establish a complete personal history-based database quickly would be very difficult: leaving aside the problem of reaching United Kingdom citizens abroad, there could be widespread non-cooperation.

- * It would be more realistic and affordable to build up such a database over time, through registration of births (or on acquisition of citizenship/residence rights) but this would be a very long process. There would be no quick fraud-reduction payoffs, and a high risk that developments in technology over the life of the project would make it obsolete in that form. It would be possible to start the database with people claiming benefits for the first time; but anything less than a complete database which assured one entry per person would leave it open to claimants to claim in more than one name.

* So the removal of entries not just on death but removal abroad would be important.

* It would be possible to give each person registered on the database a unique PIN number; but by itself this would do nothing to prevent identity fraud through collusion and use of other people's numbers.

* The better and securer approach would be to build any new database on biometric foundations. The operational value of a biometric database lies in the ease and reliability with which someone can be checked against it. But there is – at present – no obvious best choice of technology. Some biometric systems (including fingerprint reading and dynamic signatures) exclude some sections of the population. The front-runners are retinal scanning and DNA profiling. The former can be done quickly and on any site, but still involves a significant error rate: both false positives and false negatives. The latter is the most reliable, and DNA profiles are themselves digitised and so themselves constitute a PIN number. But profiling involves expert processing in laboratory conditions (although checks against stored profiles could be carried out selectively eg where there were doubts about a claim).

* Problems of cost and public acceptability would be greater with a biometric than a personal history base. To take DNA reference profiles from all United Kingdom residents in a "big bang" would cost £2bn at current prices (though these could fall with higher volumes) and would need a major expansion of current technical capacity. Securing cooperation in providing samples would also be hugely problematic: leaving aside the elderly and disabled there could be resistance from many individuals, even if the idea of a database commanded majority support. In practice it might well again be necessary to build a database up over decades through taking samples at birth.

* A database of this kind could raise significant human rights issues. DNA or other biometric data could of course be protected by encryption; but there would be a continuing risk of ECHR challenge on privacy grounds which it is hard at this stage to foresee how courts in the future will view. No other country has a complete DNA citizen database.

14 Nevertheless a new central identity database would offer significant potential benefits:

* It should produce savings in fraudulent identity claims. It is, however, difficult to quantify the additional government savings to those which should come from data sharing and the other action under the current welfare fraud strategy.

* If the database were based on DNA (or fingerprint) profiles – though not retinal image data - there would be very large, long-term crime reduction/detection spin-offs. The police would be able to check forensic evidence at crime scenes against a much more complete database than is currently envisaged (4m samples from offenders over the next 3-4 years).

15 The establishment of a national identity database would be a huge political/investment decision; and the work carried out to produce this paper does not provide anything like a basis for taking it. There is an argument for commissioning a fuller assessment of the options now: this would be a major cross-cutting project which PIU might be best placed to lead. There is also a case for deferring such a study for 3-4 years until competing identification technologies have developed further so that the balance of advantage between them can be better judged.

E A single identity card

16 It would be possible to have an identity database without a specific matching identity card: Departments would access the database as needed to check identity but would be responsible for issuing their own documentation eg passports or NHS cards. What added value would a new card have?

17 Over the next few years the number of cards – some smart, some not – will grow. As noted above, driving licence cards and passport cards are likely to be widely held.¹ There will be a range of public sector smart cards: such as public transport cards (eg combined season/occasional purchase stored value function plus station parking) and local government 'city cards' (eg library or leisure centre admission/concessionary travel/school meal entitlement functions). DSS has no longer planning to introduce benefit cards. But it will be paying benefits in 90% of cases direct into bank accounts; and since bank cards are likely to incorporate a digital signature function, they could be used to interface with any Departments paying into or receiving money from the relevant account eg to update information relating to a claim which has already been authorised.

18 The advantages of a separate identity card are:

* It could provide rapid assurance of identity on production, but only if there were an assurance that the person producing the card is entitled to it, given that cards will be stolen and that people will try to forge them. This is where the problems of technology resurface. Photographs on cards can be simply checked; but they are not reliable and cards would need to be regularly updated. Embedding a PIN number in the card could not on its own prevent fraud by collusion eg using

¹ 30 million licence cards within 10 years and potentially up to the same number of passport cards

someone else's number with consent. A biometric database would need a biometric card. And if used to establish entitlement to high value services (eg welfare benefits) it is questionable how much time an ID card would in practice save. A voluntary card would be of little use. Even an obligatory or compulsory card would at best establish identity, not satisfaction of entitlement conditions. These would still have to be questioned; and, staff should still check that claimants' accounts of their personal circumstances is consistent and reliable. There would also have to be provision for people to claim benefits in emergencies without a card.

- * It could reduce "wallet litter" and do away with the need eg for proof of age cards. But it would be unlikely to make a significant difference to the total number of cards carried by most people. And an ID card would be a very valuable document. There is evidence of young adults' reluctance to carry photocard driving licences instead of proof of age cards when going out in the evening for fear of losing them. The same would probably apply to ID cards unless they were compulsory and it was an offence not to carry them.

- * An ID card could help in preventing or detecting crime or illegal immigration (especially if obligatory or compulsory). But it is not possible to quantify the benefits in either case. ACPO were last consulted on this point in 1995, when they saw some advantages, including the ability to check the identity of drivers at the roadside. But the compulsory carrying of driving licences when driving (now under consideration by Home Office Ministers) would be as effective.

19 A specific ID card would also have the following drawbacks:

- * Cards will be lost or stolen. An issue/replacement system would need to be quicker and more reliable than anything yet delivered by Government. If the supporting IT were not absolutely right, people could not get new cards when they needed them.

- * Impact on frontier controls. There is a real risk that a comprehensive ID card scheme would undermine the legal security of the Frontiers Protocol. The argument would be that it enabled a system of internal immigration control which made our system of frontier controls with other EU Member States unnecessary, but it is Government policy to maintain it. This risk would clearly be greatest with a compulsory scheme, but could still arise if cards were obligatory.

- * Cost. A comprehensive card system would probably cost £30m-£50m a year to maintain. Most if not all these costs would probably have to be met by the Government under an obligatory or compulsory scheme, though a voluntary scheme could be self-financing.

* Community and race relations. Even a voluntary scheme would be controversial, because of fears that it would not stay voluntary. An obligatory or compulsory scheme would create stronger opposition, including fears that the police would ask to see cards even without the power to arrest for non-compliance. ACPO has previously expressed concerns about the effect of a compulsory scheme on relations with the public; and powers to demand production of a card would undermine all the efforts that have been made to reassure ethnic minorities about stop and search. The effect on police/community relations would be very damaging. Possession of a card might enable members of ethnic minorities to deal with officialdom more easily; but the existence of such cards would fuel suspicions – whether rightly or wrongly – about the uses to which they might be put, if not now then at some future point.

20 Annex B sets out the position in other countries. There is no obvious pattern. Some have identity cards now because they were established many years ago. Examples of the successful introduction of cards in recent years are harder to find. A proposal to introduce cards in Australia in the 1980s aroused considerable public hostility and was withdrawn after the Government suffered a defeat in Parliament. We do not have good information about the assessed value of cards in other countries in defeating welfare fraud. But it does not look as if the systems used in other countries would provide safeguards additional to those here, as their cards appear to be based on the assignment of numbers which do not on their own provide good protection against fraud.

F Conclusion

21 There is a case, meriting further study, for establishing a secure biometric national identity database. But while it could bring substantial benefits there would also be large costs and large risks, including public resistance over a long timescale. If Ministers do not rule out further work for the time being on these grounds then the next step would be a more detailed assessment on the basis of likely developments in biometric identification technologies and their costs.

22 The case for introducing a special ID card looks weak. The spread of cards such as the passport card and photocard driving licence over the next few years will enable people to use them as de facto identity cards for many purposes, where it is not necessary to have stronger assurance of non-duplication than they can provide. It is a secure identity database rather than a related card that would help to combat fraud and other crime.

ANNEX B

IDENTITY CARDS IN OTHER COUNTRIES

Country	Voluntary	Compulsory	Need To Be Carried At All Times	Personal Identification Number	Comments
Austria	Yes	No	-	Yes (given to all employed persons)	Voluntary ID card obtainable from local police
Belgium	No	Yes (age 12 +)	Yes	Yes (Social Security Identification Number)	SSIN optional feature on ID Cards
Denmark	No	No	-	Yes (Civil Registration System)	CRS data held centrally (Danish equivalent of ONS)
Eire	No	No	-	Yes (PRSI number for benefit and income tax purposes)	Do not operate a single reference number system
Finland	Yes	No	-	Yes (issued at birth)	PIN appears to be main proof of ID (appears on passport, driving licence, etc)
France	Yes (widely used)	No	-	Yes (personal social security number issued when individual starts work)	Two-tier system (voluntary ID card and PSS number)
Germany	No	Yes	No	Yes (individual social insurance number)	
Greece	No	Yes	No (but produced when required)	Yes (national tax number)	ID card number, specific to card not holder
Italy	No	Yes	Yes	Yes (personal computerised identity number)	ID number issued by Ministry of Finance
Luxembourg	Yes	No	ID card or passport	No	
Netherlands	No	No	-	Yes (social-fiscal number issued shortly after birth)	
Norway	No	No	-	Yes (personal identity number issued by local municipalities at birth)	
Portugal	No	Yes	Yes	No	
Spain	No	Yes (age	Yes	Yes (number on	

		14 +)		ID card), plus social security number	
Sweden	No (but some form of photo ID usually required)	No	-	Yes (personal identity number issued at birth)	
Australia	No	No	-	-	Photo driving licence widely used
Canada	No	No	-	Yes (social insurance number quite widely used)	
New Zealand	No	No	-	-	Photo driving licence widely used
USA	No	No	-	Yes (social insurance number)	Photo driving licence widely used

Document	Issuer	Photo?	Signature?	Address?	Security features?	Supporting evidence required by issuing Dept/body before issuing document
UK passport	UKPA	Yes	Yes	No	Yes	Birth cert or naturalisation/registration cert; counter signatory declaration; extra checks as appropriate.
Residence permit	HO/IND	Yes	Yes	Yes	Yes	Issued to EU national on sight of own-country passport
Aliens registration certificate	HO/IND	Yes	Yes	Yes	Yes	Issued by police on sight of own-country passport.
Immigration and Nationality Directorate (HO) travel document	HO/IND	Yes	Yes	No	Yes	Evidence of lengthy profiling period is required
Driving licence in photocard format	DVLA	Yes	Yes	Yes	Yes	Birth cert or passport + authenticated photo + supporting info
NINO card with NI number issued to adult	DSS	No	No	No	No	Evidence of life history is required
NINO card with NI number issued to 15 yr-old	DSS	No	No	No	No	Automatic issue to child for whom Child Benefit is paid
Benefit book	DSS	No	Yes	Yes	NI nos on some	Subject to same checks as benefit claims
Miscellaneous contributions forms	IR/DSS	No	No	No	Some	Issued (mainly) on same basis as NI numbers
Certificate of employment in HM Forces	MOD	Yes	Yes	No	Yes	Passport or combination of original birth cert/driving licence/P45 etc. Where none of the above are available, an endorsed photo may be acceptable.
Other-country passport or national ID card	non-UK	Yes	Yes	Some	Vary considerably	Basis of issue unknown & may be difficult to verify authenticity
Driving licence in paper format	DVLA	No	Yes	Yes	Yes	No ID check made; risk of impersonation. Limited evidence of ID
Medical card with NHS number	DoH	No	No	No	No	ONS check name on database before issue of NHS no; health authority then issue card with no further ID check
Building Industry sub-contractor's certificate	IR	Yes	Yes	No	NI number	Interview. Two forms of ID, driving licence, passport, rent book, bill etc.
Standard acknowledgement letter	HO/IND	Yes	Yes	Yes	Yes	Issued as evidence that asylum has been sought; not confirmation of ID
Birth, death, adoption, marriage certificate	ONS	No	No	No	Yes	Issued as evidence of event, not of ID; available for purchase by anyone. Also issued by local registration officers; marriages certificates by clergy.
Divorce, annulment, separation document	Court	No	No	No	No	Issued as evidence of event, not of ID
E111	DSS	No	No	Yes	No	Issued at Post Office; no ID check made. Little evidence of ID.
P45	Employer	No	No	No	No	Issued as evidence of gross pay and tax deducted. No ID check made.
Pay slip	Employer	No	No	No	No	Varies - little evidence of ID
Rent book, rent card, tenancy agreement	Landlord	No	Some	Yes	No	Varies - little to no evidence required.
Gas, electricity, fixed-telephone or water bill	Utility co	No	No	Yes	No	Varies - usually some evidence of address. Limited evidence of ID.
Bus-pass, railcard, travelcard, season-ticket	Utility co	Some	Yes	Some	Not usually	Varies - unlikely to require much evidence.
Credit-card, debit-card, cheque-card	Bank	Some	Yes	No	Yes	Varies - likely to require evidence of financial status rather than ID.
Bank or building-society statement, passbook	Bank	No	No	Yes	Varies	Varies - likely to require evidence of financial status rather than ID.
Life-assurance policy	Insce co	No	No	Some	No	Varies - probably little evidence required.
Store charge-card	Retailer	No	Not usually	Yes	Some	Varies - probably little evidence required.
Household bill other than utility	Retailer	No	No	Yes	No	Varies - probably little evidence of ID
Membership card of trade-union, club etc	Various	Some	Some	Some	Not usually	Varies - probably little evidence of ID

X X X X X

FROM THE RIGHT HONOURABLE THE LORD IRVINE OF LAIRG



(f)
HOUSE OF LORDS,
LONDON SW1A 0PW

The Rt Hon Jack Straw MP
Home Secretary
Home Office
50 Queen Anne's Gate
London
SW1H 9AT

DN
CCJTH
PU

10 November 1999

Dear Jack,

IDENTITY CARDS.

I am writing in John Prescott's absence. This letter gives you HS clearance to proceed as you proposed in your letter to John of 11 October, subject to the points raised by colleagues recorded below. You explained that the Prime Minister had asked you to provide a report assessing the arguments for and against a national identity card; you attached to your letter a copy of the draft report. You noted that the benefits were low in relation to costs and risks, but that there was a case for some serious long-term thinking about the possible development of a national identity database. You sought agreement to report to the Prime Minister in the terms you set out.

Replies were received from Alan Milburn, Peter Mandelson, John Reid, Alistair Darling, Hilary Armstrong and David Blunkett. I also wrote to you. Peter was content for you to proceed and noted that there were no particular Northern Ireland points that needed to be made at this stage. John was also content and noted that Scottish Executive officials and Scottish Ministers had been made aware of the initiative.

Alan agreed with your conclusions and with your proposal that further work on a national identity database should be done, particularly on the biometric options. He felt that it would be useful in preventing or detecting fraud in the NHS if it was possible to interrogate such a database. He also felt that it would be vital to include an assessment of public attitudes at an early stage in this further work; the problems appeared to be political rather than technical and public resistance leading to non-compliance would obviate any theoretical advantages. Alan also noted that it would be extremely unlikely that his Department would be able to use a national database for NHS registration purposes. It had taken a number of years to build confidence in data sharing within the NHS and he did not want to put this at risk. He asked that

the feasibility work should look closely at the costs and benefits of a national database as against further work on data sharing, building on current initiatives.

Alistair supported your conclusions. He felt that, in his Department's case, it would be difficult to see how an identity card would be enough to prove the identity of the carrier without some form of additional questioning, requiring production of other documentary evidence and the undertaking of "back room" checks on the information provided. He was, however, attracted to the idea of studying the evidence for developing a national identity database. If this was linked to other Government records, it would facilitate faster and more secure checks between agencies. He noted that your report had suggested that biometrics might be the basis for such a database, but thought there were problems with biometrics, such as the lack of 100% reliable tests to establish whether an individual matched his record in the database. Alistair therefore proposed that the study should examine the scope for a database with other contents, such as PIN numbers and passwords.

Hilary noted that your conclusions mirrored those that had arisen in similar policy areas. In the case of tackling vehicle crime, attention had moved away from the compulsory carrying of vehicle documents to tackling vehicle crime by making better use of vehicle, driver and insurance databases. On that basis, she was content for you to proceed. She also noted that the issue was very sensitive and wondered whether the final report should cover this aspect in more detail.

David supported your proposals, but thought that the strength of public resistance should not be underestimated. He was also keen that we work to ensure co-ordination across Government to avoid bureaucracy and duplication. His Department was working on the Youth Card, which would carry the young person's name, a photograph and a unique number generated by the Careers Service. He noted that DH were interested in the Card because it had the potential to provide evidence of a young person's educational status in order to prevent fraudulent claims for free NHS prescriptions. He suggested that further work in this area could ensure that we got the greatest value from the card as well as maximising convenience for the cardholder. David also felt that it would be helpful if the Report could explore how we might make full use of the existing means that we have for identifying individuals.

I am also content, but further consideration should be given to the privacy right in Article 8 of the ECHR. The current exercise that you have undertaken has touched on privacy issues only in regard to DNA databases, but the potential problems may run wider if a compulsory scheme is contemplated in the future. I would therefore be grateful if you could keep my officials informed of any further work.

I am copying this letter to the Prime Minister, members of HS Committee, and to Sir Richard Wilson.

Yours *ew*,

Devy

RESTRICTED - POLICY

FROM THE RT HON HILARY ARMSTRONG MP
MINISTER FOR LOCAL GOVERNMENT AND THE REGIONS



DEPARTMENT OF THE ENVIRONMENT,
TRANSPORT AND THE REGIONS

ELAND HOUSE
BRESSENDEN PLACE
LONDON SW1E 5DU

TEL: 0171 890 3000
FAX: 0171 890 4489

OUR REF: IDC (99) 286

The Rt Hon John Prescott MP
Deputy Prime Minister and
Secretary of State for the Environment,
Transport and the Regions
Eland House
Bressenden Place
LONDON
SW1E 5DU

26 OCT 1999

TOP DN
cc. PU

Dear Deputy Prime Minister

IDENTITY CARDS

I have seen a copy of Jack Straw's letter to you of 11 October enclosing a draft report on assessing the arguments for and against a national identity card that the Prime Minister had requested.

From this Department's position, I believe that the conclusions of the draft report mirror the conclusions that have arisen in similar policy areas. Indeed, the Home Secretary's Vehicle Reduction Action team concluded that the compulsory carrying of vehicle documents would be costly, controversial and not motorist friendly. Attention has therefore moved away to tackling vehicle crime through connecting the policy to new and existing vehicle/driver/insurance databases. On that basis, we can agree with the draft report's conclusions.

However, I do agree that this whole subject is very sensitive. The Home Secretary may wish to consider whether the sensitivities should be covered in more detail in the final report to the Prime Minister.

I am copying this letter to members of HS Committee and Sir Richard Wilson.

Yours sincerely

HILARY ARMSTRONG
(Approved by the Minister
and signed in her absence)

FROM THE RIGHT HONOURABLE THE LORD IRVINE OF LAIRG



HOUSE OF LORDS,
LONDON SW1A 0PW

25 October, 1999

The Rt Hon John Prescott
Deputy Prime Minister and
Secretary of State for the Environment
Transport and the Regions
Eland House
Bressenden Place
London
SW1E 5DU

Top 22
C.P.J.

Dear *John,*

IDENTITY CARDS

I have seen Jack Straw's letter to you of 11 October 1999, asking if HS colleagues are content with the contents of his report. I am content.

Let me add, however, that any further deliberations about the issue of identity cards must pay regard to the privacy right in Article 8 of the ECHR. This current exercise appears to have touched on privacy issues only in relation to DNA databases, but the potential problems may run wider than that if a compulsory scheme is to be contemplated as a viable option in the future.

My Department has an obvious interest, including limiting the scope for legal challenge on privacy issues. Please keep my officials informed of future work on this.

I am copying this letter to the other members of HS Committee and Sir Richard Wilson.

Yours

*even,
Derry*



(f)

SCOTLAND OFFICE
DOVER HOUSE
WHITEHALL
LONDON SW1A 2AU

The Rt Hon Jack Straw MP
The Home Office
50 Queen Anne's Gate
London
SW1H 9AT

21 October 1999

Dear Jack,

IDENTITY CARDS

Thank you for copying to me your letter of 11 October to John Prescott in which you sought agreement to your report on identity cards going to the Prime Minister.

I am content for you to report to the Prime Minister in the terms you proposed. I understand that officials from the Scottish Executive were involved in the consultation and that Scottish Ministers have been made aware of the initiative.

I am copying this letter to the other members of HS and Sir Richard Wilson.

Yours ever

JOHN REID

20. Oct. 1999 15:23

No. 6831 P 2



(f)

Northern Ireland Office
Block B, Castle Buildings
Belfast BT4 3SG

The Rt Hon Jack Straw MP
Home Secretary
Home Office
Queen Anne's Gate
LONDON
SW1H 9AT

20 October 1999

Dear Jack,

IDENTITY CARDS

Thank you for copying me your letter of 11 October to John Prescott.

I am content with the proposals contained in your report and for these to be put to the Prime Minister. There are no particular Northern Ireland points which need to be made at this stage.

I am copying this letter to the other members of HS Committee and Sir Richard Wilson

A handwritten signature in dark ink, appearing to read "Peter Mandelson".

PETER MANDELSON



Richmond House 79 Whitehall London SW1A 2NS Telephone 0171 210 3000

From the Secretary of State for Health

The Rt Hon Jack Straw MP
Home Secretary
Home Office
Queen Anne's Gate
London SW1H 9AT

(9)

19 October 1999

Dear Jack

~~DN~~
C.R.

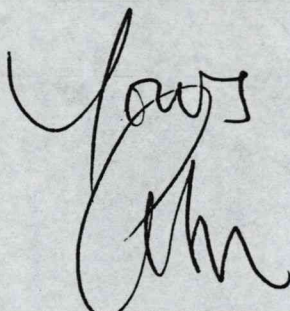
IDENTITY CARDS

Thank you for providing a thorough report on the issue of identity cards and a national identity database. I see no reason to dissent from the conclusion that the costs and risks of a national identity card probably outweigh the potential advantages.

I also agree that further feasibility work on a national identity database should be done, particularly on the biometric options. There are situations in which, for reasons of preventing or detecting fraud on the NHS, it could be useful to be able to interrogate such a database. However, I do think it is vital that this feasibility work includes assessment of public attitudes at an early stage. The problems of implementation seem to be essentially political rather than technical, and public resistance leading to non-compliance would obviate any theoretical advantages that there might be.

I should add that it is unlikely in the extreme that this department could ever use a national database for NHS registration purposes in preference to our own systems. It has taken many years to build the necessary public and professional confidence to enable wider data sharing within the NHS and this could not be put at risk. For this reason, which may be shared by other departments, I would welcome the feasibility work looking closely at the costs and benefits of a national ID database as against further work on data sharing, building on current initiatives.

I am copying this letter to the Prime Minister, members of HS Committee
and to Sir Richard Wilson.

A handwritten signature in black ink, appearing to read "Alan Milburn", written in a cursive style.

ALAN MILBURN

→ JH
Papers attached.

From: David Miliband
Date: 14 October 1999

LIZ LLOYD

cc: David North
Jeremy Heywood
Ed Richards
James Purnell

DN

What's the?

IDENTITY CARDS

I have read Jack's paper and found it pretty convincing. I think our push could be on making sure that there is full transferability - or as full as possible - between different departments and the cards they are currently pledged to create. This is a simple sounding part of modernising government but our experience with simple things like phone lines suggests that departments are not very good at it. Perhaps James could pursue as part of the work of the CITU.

cc: LL
GM
DM

DN

DM

14/10

Will you feed Tenny's points into the?

One big angle not considered
how is to sort to do with etc
of doing their own identity
checks for all customers as part of
the anti-money laundering legislation;
so the barriers these checks
currently impose to the socially-
excluded getting bank accounts etc.

this is just

My impression from the paper is that
NCD / NCDPO have not been consulted
on this. I think they should be. JG2



QUEEN ANNE'S GATE LONDON SW1H 9AT

The Rt Hon John Prescott MP
Deputy Prime Minister and
Secretary of State for the Environment,
Transport and the Regions
Eland House
Bressenden Place
LONDON SW1E 5DU

11 OCT 1999

Dear Mr,

IDENTITY CARDS

... The Prime Minister has asked me to provide a report assessing the arguments for and against a national identity card. The attached draft concludes that the benefits are low in relation to the costs and risks; but that there is a case for some serious long term thinking about the possible development of a national identity database. I should be grateful to know – by 21 October – whether you and HS colleagues are content for me to report in these terms.

... The attached draft reflects consultations at official level over the summer with a number of Departments. The general view was that a card, whether introduced on a voluntary basis or tied to the provision of government services, would add little to our current strategies for controlling welfare fraud or to the programme of work on smart cards flowing from the Modernising Government White Paper. I share the view that there is no clear business case for a scheme which would inevitable generate much public controversy. But I do think that there is a case for further work to assess the options for setting up a comprehensive national identity database, to which all public services could have access. As the attached draft brings out, such a project would be no less controversial, and would involve a very long-term commitment; but it does potentially offer important benefits which other countries' identity card schemes pass by.

I am copying this letter to the other members of HS Committee and Sir Richard Wilson.

*Yours ever,
Jack*

JACK STRAW

ID CARDS

A The context

1 Different departments maintain their own records of individuals to whom they provide services or documents. These databases have been built up for different business purposes, and include different kinds of information to identify or distinguish individuals. Some of this information (eg date of birth) is commonly held in many databases; some documentation (eg birth certificate) nevertheless has to be produced more than once when individuals ask for different services; and different bodies check identity to different standards, according to the value and importance of the service or document sought.

2 Annex A illustrates the range of practice. For some business purposes (eg DSS benefits and DVLA) it is essential that the database includes current address; for other purposes (eg passports) to update the database to show current address would not be necessary or, within current systems, cost effective.

3 The parameters of any identification system are the extent to which it can provide assurances of non-duplication and completeness ie assurances that each person has at most one and at least one entry in any database. The present arrangements covering individual Departments and Agencies do not score well on the first measure. There are, for example, [] million (DSS to check) more National Insurance Numbers (NINOs) than people entitled to them. It is also possible for one person to obtain multiple documents, including passports, through impersonation (eg "Day of the Jackal" fraud where someone uses the birth certificate of a child who has died many years previously).

4 Nor do the present arrangements assure completeness (even limited to people who are both UK citizens and resident in the UK). There is no single database which records every individual: eg the register of births does not include people born abroad who then acquire UK citizenship; and databases such as those relating to passports do not include people who do not want a passport. We have never had a national register of people living in the UK except in time of war, when everyone had to carry identity papers.

B Problems

5 The present arrangements permit identity fraud. The highest level of security now generally available relates to passports, and even here there are some successful impersonations (in 1998 UKPA detected 60 "Day of the Jackal" frauds). In the case of welfare fraud (estimated range £2bn-£5bn) DSS believe that the great majority of overpayments relate to misrepresentation of circumstances (eg income, number of dependents) but that up to 1% of claimants may fail to provide adequate assurance of identity.

6 The present arrangements also involve bureaucracy and duplication: they fail to meet the Modernising Government aims that people should normally have to provide

the government with the same information only once, and that more effective use should be made of the scope for transferring information within (and to) government electronically.

7 There is also a (second-order but presentationally important) problem of convenience. Because there is no national ID card – a single document which confirms identity which every individual can have - people may have to carry around with them a number of documents eg a proof of age card if they want to buy alcohol but do not have or do not want to carry around a document such as a driving licence or passport.

C What is already being done?

8 A wide range of initiatives are being taken forward across government which bear on these problems.

* The current welfare fraud strategy, which includes:

- the development of a directory showing which departments hold what personal data, to support
- the spread of systems (and where necessary the taking of statutory powers) for personal data to be exchanged between departments (“data sharing”), so that it can be cross-checked (both improving security and reducing the need for the same information to be provided more than once other than for cross-checking purposes)
- improved guidance and training on checking claims through questioning of claimants and documents
- improved use of intelligence to focus in-depth enquiries.

* Changes to civil registration procedures, including:

- a general review of the current arrangements, now the subject of public consultation
- a specific “Invest to Save” Budget bid by the Office of National Statistics, involving the downloading of information from central NHS registers to enable birth certificates to be checked against the GP registration database, which would enable “Day of the Jackal” fraud to be detected

* Improved passport application checks.

* Follow-up to Modernising Government, including:

- Cabinet Office-led development of plan for introduction of a range of smart cards, (backed by recent PIU e-commerce report) linked to various government services
- payment of welfare benefits direct into bank accounts by 2003

* The introduction of a passport card (within 18 months, subject to the successful rollout of new issuing arrangements to all UKPA offices).

* Increasing usage of the photocard driving licence.

D Issues

9 Against this background there are three main issues which this paper goes on to address:

* What strategy should the Government develop for citizen identification, measured against tests of non-duplication, completeness, cost-effectiveness and individual convenience? In particular is there a business case, in terms of welfare fraud savings or other advantages for a single database on which all individuals should be registered? And should individuation be based on historical data (eg date and place of birth, name and address of parents) or physical characteristics (eg DNA profile, fingerprints, retinal image)?

* If so, is there a case for a single card, supported by that database, which would constitute a national ID card? It is possible to create and use a database without a single matching card. Would such a card add value to the database itself or to the cards already in circulation or planned?

* If there is a case for such a card, how much compulsion should there be on individuals to have it? A card could be voluntary ; obligatory (ie linked to the provision of government services, so that over time it would in practice be difficult to avoid having one); or fully compulsory (ie a requirement to have one, although it need not be an offence to carry it at all times).

10 Public debate about identity cards has in the past concentrated on the second and third issues. But it is difficult to reach any definite conclusions in the absence of a clear conclusion on the first. Arguably the need of many organisations for a more secure system of identification has overtaken the traditional debate about cards as such.

E Strategy for citizen identification

11 The strategic choice lies between.

* The maintenance by Departments of their own systems for identifying "customers" and giving them reference numbers, but with more data sharing.

* The creation of a new central identity database which Departments can access.

12 Key points on the first approach are:

* It would not involve any significant unplanned expenditure.

* Data sharing is still at an early stage. There is the potential for much progress (which data protection law does not block). Current data sharing exercises (eg a Customs/Revenue/DSS project focussed on the "rag trade") within the welfare fraud strategy should provide a basis for target reductions in identity fraud and hence savings to be set.

13 The second approach would be a radical change. Key points are:

* To add security value a new database based on personal history information would need a higher level of non-duplication assurance than is now available. Checking information going on to a new database could cost over £1bn for coverage of all UK residents: this is based on the cost of passport-level checks

* To try to establish a complete personal history-based database quickly would be very difficult: leaving aside the problem of reaching UK citizens abroad, there could be widespread non-cooperation

* It would be more realistic and affordable to build up such a database over time, through registration of births (or on acquisition of citizenship/residence rights) but this would be a very long process. There would be no quick fraud-reduction payoffs, and a high risk that developments in technology over the life of the project would make it obsolete in that form. It would be possible to start the database with people claiming benefits for the first time; but anything less than a complete database which assured one entry per person would leave it open to claimants to claim in more than one name.

* So the removal of entries not just on death but removal abroad would be important.

* It would be possible to give each person registered on the database a unique PIN number; but by itself this would do nothing to prevent identity fraud through collusion and use of other people's numbers.

* The better and securer approach would be to build any new database on biometric foundations. The operational value of a biometric database lies in the ease and reliability with which someone can be checked against it. But there is – at present – no obvious best choice of technology. Some biometric systems (including fingerprint reading and dynamic signatures) exclude some sections of the population. The front-runners are retinal scanning and DNA profiling. The former can be done quickly and on any site, but still involves a significant error rate: both false positives

and false negatives. The latter is the most reliable, and DNA profiles are themselves digitised and so themselves constitute a PIN number. But profiling involves expert processing in laboratory conditions (although checks against stored profiles could be carried out selectively eg where there were doubts about a claim).

* Problems of cost and public acceptability would be greater with a biometric than a personal history base. To take DNA reference profiles from all UK residents in a "big bang" would cost £2bn at current prices (though these could fall with higher volumes) and would need a major expansion of current technical capacity. Securing cooperation in providing samples would also be hugely problematic: leaving aside the elderly and disabled there could be resistance from many individuals, even if the idea of a database commanded majority support. In practice it might well again be necessary to build a database up over decades through taking samples at birth.

* A database of this kind could raise significant human rights issues. DNA or other biometric data could of course be protected by encryption; but there would be a continuing risk of ECHR challenge on privacy grounds which it is hard at this stage to foresee how courts in the future will view. No other country has a complete DNA citizen database.

14 Nevertheless a new central identity database would offer significant potential benefits:

* It should produce savings in fraudulent identity claims. It is, however, difficult to quantify the additional government savings to those which should come from data sharing and the other action under the current welfare fraud strategy.

* If the database were based on DNA (or fingerprint) profiles –though not retinal image data - there would be very large, long-term crime reduction/detection spin-offs. The police would be able to check forensic evidence at crime scenes against a much more complete database than is currently envisaged (4m samples from offenders over the next 3-4 years).

15 The establishment of a national identity database would be a huge political/investment decision; and the work carried out to produce this paper does not provide anything like a basis for taking it. There is an argument for commissioning a fuller assessment of the options now: this would be a major cross-cutting project which PIU might be best placed to lead. There is also a case for deferring such a study for 3-4 years until competing identification technologies have developed further so that the balance of advantage between them can be better judged.

E A single identity card

16 It would be possible to have an identity database without a specific matching identity card: Departments would access the database as needed to check identity but would be responsible for issuing their own documentation eg passports or NHS cards. What added value would a new card have?

17 Over the next few years the number of cards – some smart, some not – will grow. As noted above, driving licence cards and passport cards are likely to be widely held.¹ There will be a range of public sector smart cards: such as public transport cards (eg combined season/occasional purchase stored value function plus station parking) and local government ‘city cards’ (eg library or leisure centre admission/concessionary travel/school meal entitlement functions). DSS has no firm plans for benefit cards. But it will be paying benefits in 90% of cases direct into bank accounts; and since bank cards are likely to incorporate a digital signature function, they could be used to interface with any Departments paying into or receiving money from the relevant account eg to update information relating to a claim which has already been authorised.

18 The advantages of a separate identity card are:

* It could provide rapid assurance of identity on production, but only if there were an assurance that the person producing the card is entitled to it, given that cards will be stolen and that people will try to forge them. This is where the problems of technology resurface. Photographs on cards can be simply checked; but they are not reliable and cards would need to be regularly updated. Embedding a PIN number in the card could not on its own prevent fraud by collusion eg using someone else’s number with consent. A biometric database would need a biometric card. And if used to establish entitlement to high value services (eg welfare benefits) it is questionable how much time an ID card would in practice save. A voluntary card would be of little use. Even an obligatory or compulsory card would at best establish identity, not satisfaction of entitlement conditions. These would still have to be questioned; and, staff should still check that claimants’ accounts of their personal circumstances is consistent and reliable. There would also have to be provision for people to claim benefits in emergencies without a card.

* It could reduce “wallet litter” and do away with the need eg for proof of age cards. But it would be unlikely to make a significant difference to the total number of cards carried by most people. And an ID card would be a very valuable document. There is evidence of young adults’ reluctance to carry photocard driving licences instead of proof of age cards when going out in the evening for fear of losing them. The same would probably apply to ID cards unless they were compulsory and it was an offence not to carry them.

* An ID card could help in preventing or detecting crime or illegal immigration (especially if obligatory or compulsory). But it is not possible to quantify the benefits in either case. ACPO were last consulted on this point in 1995, when they saw some advantages, including the ability to check the identity of drivers at the roadside. But the compulsory carrying of driving licences when driving (now under consideration by Home Office Ministers) would be as effective.

19 A specific ID card would also have the following drawbacks:

¹ 30 million licence cards within 10 years and potentially up to the same number of passport cards

* Cards will be lost or stolen. An issue/replacement system would need to be quicker and more reliable than anything yet delivered by Government. If the supporting IT were not absolutely right, people could not get new cards when they needed them.

* Impact on frontier controls. There is a real risk that a comprehensive ID card scheme would undermine the legal security of the Frontiers Protocol. The argument would be that it enabled a system of internal immigration control which made our system of frontier controls with other EU Member States unnecessary, but it is Government policy to maintain it. This risk would clearly be greatest with a compulsory scheme, but could still arise if cards were obligatory.

* Cost. A comprehensive card system would probably cost £30m-£50m a year to maintain. Most if not all these costs would probably have to be met by the Government under an obligatory or compulsory scheme, though a voluntary scheme could be self-financing.

* Community and race relations. Even a voluntary scheme would be controversial, because of fears that it would not stay voluntary. An obligatory or compulsory scheme would create stronger opposition, including fears that the police would ask to see cards even without the power to arrest for non-compliance. ACPO has previously expressed concerns about the effect of a compulsory scheme on relations with the public; and powers to demand production of a card would undermine all the efforts that have been made to reassure ethnic minorities about stop and search. The effect on police/community relations would be very damaging. Possession of a card might enable members of ethnic minorities to deal with officialdom more easily; but the existence of such cards would fuel suspicions – whether rightly or wrongly – about the uses to which they might be put, if not now then at some future point.

20 Annex B sets out the position in other countries. There is no obvious pattern. Some have identity cards now because they were established many years ago. Examples of the successful introduction of cards in recent years are harder to find. A proposal to introduce cards in Australia in the 1980s aroused considerable public hostility and was withdrawn after the Government suffered a defeat in Parliament. We do not have good information about the assessed value of cards in other countries in defeating welfare fraud. But it does not look as if the systems used in other countries would provide safeguards additional to those here, as their cards appear to be based on the assignment of numbers which do not on their own provide good protection against fraud.

F Conclusion

21 There is a case, meriting further study, for establishing a secure biometric national identity database. But while it could bring substantial benefits there would also be large costs and large risks, including public resistance over a long timescale. If Ministers do not rule out further work for the time being on these grounds then the

next step would be a more detailed assessment on the basis of likely developments in biometric identification technologies and their costs.

22 The case for introducing a special ID card looks weak. The spread of cards such as the passport card and photocard driving licence over the next few years will enable people to use them as de facto identity cards for many purposes, where it is not necessary to have stronger assurance of non-duplication than they can provide. It is a secure identity database rather than a related card that would help to combat fraud and other crime. Nor is an ID card needed for the realisation of the Government's Modernising Government/e-commerce aims, given the development of other smart cards.

ANNEX B

IDENTITY CARDS IN OTHER COUNTRIES

Country	Voluntary	Compulsory	Need To Be Carried At All Times	Personal Identification Number	Comments
Austria	Yes	No	-	Yes (given to all employed persons)	Voluntary ID card obtainable from local police
Belgium	No	Yes (age 12+)	Yes	Yes (Social Security Identification Number)	SSIN optional feature on ID Cards
Denmark	No	No	-	Yes (Civil Registration System)	CRS data held centrally (Danish equivalent of ONS)
Eire	No	No	-	Yes (PRSI number for benefit and income tax purposes)	Do not operate a single reference number system
Finland	Yes	No	-	Yes (issued at birth)	PIN appears to be main proof of ID (appears on passport, driving licence, etc)
France	Yes (widely used)	No	-	Yes (personal social security number issued when individual starts work)	Two-tier system (voluntary ID card and PSS number)
Germany	No	Yes	No	Yes (individual social insurance number)	
Greece	No	Yes	No (but produced when required)	Yes (national tax number)	ID card number, specific to card not holder
Italy	No	Yes	Yes	Yes (personal computerised identity number)	ID number issued by Ministry of Finance
Luxembourg	Yes	No	ID card or passport	No	
Netherlands	No	No	-	Yes (social-fiscal number issued shortly after birth)	
Norway	No	No	-	Yes (personal identity number issued by local municipalities at birth)	
Portugal	No	Yes	Yes	No	
Spain	No	Yes (age 14+)	Yes	Yes (number on ID card), plus social security number	
Sweden	No (but some form)	No	-	Yes (personal identity number)	

	of photo ID usually required)			issued at birth)	
Australia	No	No	-	-	Photo driving licence widely used
Canada	No	No	-	Yes (social insurance number quite widely used)	
New Zealand	No	No	-	-	Photo driving licence widely used
USA	No	No	-	Yes (social insurance number)	Photo driving licence widely used



f

TOP- DN
e:fu

Prime Minister

WELFARE FRAUD: IDENTITY CARDS

You have asked that I prepare a report on identity cards by the end of September for you to consider alongside the outcome of the Welfare Fraud Group's further work on data sharing (your Private Secretary's letter of 20 May). I will do so.

An identity card scheme raises many issues of principle and practicality. The proposals for smart cards in our Modernising Government White Paper is directly relevant. I shall ensure that these issues are addressed in the report which you have asked me to prepare, and will consult interested colleagues before doing so.

In the past the main options for identity cards have been presented as either "compulsory" or "voluntary". These categories are however not particularly helpful in analytical or presentational terms.

A more robust categorisation is:

- (a) compulsory (criminal offence for failure to carry cards)
- (b) obligatory cards (no criminal offence – but everyone over time issued with a card - production obligatory for certain purposes – eg benefits, proof of age etc)
- (c) voluntary cards – issued on application – are encouraged.

I have asked officials to work up proposals on this basis.

John H. S.

18 June 1999



Richmond House 79 Whitehall London SW1A 2NS Telephone 0171 210 3000
From the Minister of State for Public Health

file

George Howarth MP
Parliamentary Under Secretary of State
Home Office
50 Queen Anne's Gate
London SW1

cc Angus Liz David
~~Jeremy~~ Pat
File Tobacco

C AL/DM/DM/KC November 1998

Dear Minister

PROOF OF AGE CARD

We have agreed in correspondence on the need for a general proof of age card, applicable to all products with age-restricted access. Small retailers in particular are longing for a single system which allows them to fulfill their legal responsibilities with confidence.

Officials have been discussing the issue with various industries concerned. It seems that the Citizen Card proposal is failing to convince industry because of a weak business case, rather than inherent opposition to the idea.

There is a recognition in industry that something of this sort is needed, and probably a willingness (albeit reluctant) to fund it if unavoidable. The problem is that there is no natural forum to bring together the industries concerned, and no natural Government mechanism to drive the issue forward.

Following your letter of 15 October officials are meeting to determine how best to use existing contacts with individual industries to persuade them to engage seriously in the issue.

But we will need to do more than that to make progress. In a recent meeting with officials, a major brewing company said that the issue would be greatly helped if the Government could express a public lead and bring together the industries concerned to encourage them to work up a viable scheme. We might do well to follow up this suggestion, and call a round-table meeting of senior figures from the drinks, tobacco, lottery, video, solvents and fireworks industries. You would probably want to host this from your central position (though I would be happy to do so if you preferred) and I would certainly want to be present; DCMS also have a major interest and their presence would be helpful in demonstrating a common Government approach.

The purpose should be to persuade the industries present to agree to set up a joint exercise to produce an industry sponsored proof of age card which would meet our criteria on authenticity etc. The card being created to protect children and

~~Jeremy~~ I do not think this is a propriat. The pm wants this to be clearly industry led. Ministers can act as mid-wives to a scheme but it must be devised and implemented by industry.

X



young people, and also to give retailers a guaranteed way of exercising their legal duties with confidence. Given that the products concerned are too dangerous to be freely available at all ages, but that considerable profits are nonetheless made from them, it seems to me entirely reasonable that the industry should meet the costs of providing the safeguards necessary.

I think we have considerable leverage over industries which want to be seen as socially responsible, which advocate self-regulation, and which fear the possibilities of legislation.

I attach a draft letter which either of us could use to invite the key players to a meeting. We should aim for the chief executives of the major business involved or of active trade associations such as the Tobacco Manufacturers Association. We will obviously not get all the chief executives of the industries concerned without undue delay, and some will doubtless be represented by their staff. But starting an inter-industry discussion is the key to progress on this issue; and it would be very helpful for the tobacco White Paper, due before Christmas, if we could have made some progress before publication.

I am copying this letter to Peter Mandelson, Chris Smith, Donald Dewar, Alun Michael, Mo Mowlam, Peter Kilfoyle, Sir Richard Wilson and Robert Hill.

Yours sincerely
Richard Coates
Private Secretary
TESSA JOWELL

*Agreed by the Minister, and
signed in her absence.*

DRAFT LETTER OF INVITATION

PROOF OF AGE CARDS

There is wide acceptance that young people should not have access to a range of products and services. Tobacco, alcohol, solvents, fireworks, some videos and films, the lottery are all restricted by statutory limitations on the ages at which a person may lawfully buy them.

Retailers are faced with the difficult task of determining the age of young people endeavouring to buy particular products. There is no single, authoritative way of proving the age of a purchaser currently available, although there a number of separate schemes, either geographically based or product specific, such as the Portman Card. There are also proposals for a generic "Citizen Card". Retailers are urging the case for a single universally applicable card to enable them to fulfill their legal responsibilities with confidence.

The Government has no plans to introduce a national identity card, and to do so would, in any event involve highly contentious primary legislation, offering no early solution. There is enough activity under way, however, to suggest that a quicker and publicly more acceptable solution could now be reached on a voluntary basis by the combined efforts of the industries concerned.

[Participating Ministers] and I would therefore like to invite you to a round table discussion on the possibilities and how best to take the issue forward in ways which reflect the realities of your business and the importance you attach to your responsibilities to the wider community. If you would like to take part, please let my office know on [0171] and we will arrange a date that suits as many as possible.

The occasion would not be open to the media, but the purpose and subject of the meeting would be in the public domain.

I very much hope you will be able to join us.



The Rt Hon Ann Taylor MP

PRIVY COUNCIL OFFICE

68 WHITEHALL LONDON SW1A 2AT

24 FEB 1998

Dear George,

PRIVATE MEMBER'S BILL: VOLUNTARY PERSONAL SECURITY CARDS

Thank you for your letter of 20 February about the handling of David Amess' Private Member's Bill which he sought leave to introduce on 24 February. The purpose of the Bill is to provide for a system of voluntary personal security cards.

You explained that the Home Secretary had consulted colleagues last year about the possible introduction of identity cards. In the light of the mixed response, and the difficulties in securing legislative time, he had decided to put any decisions on hold for the time being. You were, however, consulting our European Union partners about the possible introduction of a photocard passport, although this would not be able to have any wider function. We had made clear that an early decision on identity cards was unlikely. Consideration of the potential benefits and disadvantages was a matter for the longer term, and David Amess' Bill would cut across such consideration. You therefore recommended that it be blocked at Second Reading.

No colleague commented, and you may therefore take it that you have agreement to proceed as you propose. Arrangements will be made for the Bill to be blocked at Second Reading.

I am copying this letter to the Prime Minister, members of LEG Committee, Sir Richard Wilson and First Parliamentary Counsel.

Yours,

ANN TAYLOR

George Howarth Esq MP
Parliamentary Under-Secretary of State
Home Office



QUEEN ANNE'S GATE LONDON SW1H 9AT

The Rt Hon Dr Gavin Strang MP
Minister for Transport
Department of the Environment,
Transport and the Regions
Eland House
Bressenden Place
LONDON SW1E 5DU

09 DEC 1997

✓cc: Ray

→ Angus / gile

Top ar
cipu

1. Liz

This needs watching. would be Home Office
searching for a back door

Dear Minister

2. jrh.

AZ
10/12

PHOTOCARD DRIVING LICENCES

You wrote to John Prescott and colleagues on 24 November proposing to announce the introduction of photocard driving licences from next year. I responded on 1 December asking you to wait for a week so that I could consider consequential implications for the Home Office. I am grateful to you for holding on.

I am content that your announcement should go ahead now, but you and other colleagues will wish to be aware of the other questions the announcement might provoke and the line I propose to take on them.

Briefly, colleagues will recall that I have consulted them about identity cards. In the light of the mixed response, and the difficulties of securing legislative time, I have decided to put decisions on them on hold for the time being. At the same time, however, I think there would be great advantage in producing a photocard passport. We need to consult our European Union counterparts about compliance with international agreements on passport formats, so I could not make any formal announcement at this stage. Nevertheless, we may well prove to be in a position to introduce such a card by 1999.

For legal reasons neither a photocard driving licence nor a photocard passport could be offered, or announced as, having wider functions. Nevertheless there has been some pressure for Government proof of age or identity cards, particularly in the context of liquor purchases. If businesses decided of their own volition to start using Government cards for proof of age we could hardly object, but if such circumstances arose I think it would be preferable for them to rely on a photocard

passport. There would be greater security checks before issue, it would be available for all ages and the price is more likely to be attractive to young people.

... Against that background I think we need to deal cautiously, and in an agreed way, with any supplementary questions about secondary uses of these cards. I attach the proposed Home Office line to take, for use as necessary on the day of your announcement if we are asked about identity cards, passports and/or proof of age. I would welcome any comments on this, and would also appreciate it if your lines could similarly be cleared with the Home Office. Copies go to the Prime Minister, other HS Committee members, the Minister without Portfolio and Sir Robin Butler.

Yours sincerely

Katharine Armstrong

JP

JACK STRAW

*Approved by the Home Secretary and
signed in his absence by the Private Secretary*

PHOTOCARD DRIVING LICENCE: HOME OFFICE LINES TO TAKE ON ANNOUNCEMENT DAY

Identity cards intentions?

- The Government has not decided whether to introduce an identity card. An early decision is unlikely.
- We need to consider the benefits and disadvantages carefully, and there is unlikely to be an early opportunity for legislation.

Combine identity card and travel card functions with the photocard driving licence?

- We don't think this would be the right approach. Aside from the arguments in principle for and against identity cards as such, a combined card would present practical difficulties:
 - The EU has prescribed a specific format for driving licences, giving little room for other functions.
 - Handling card withdrawals and driving disqualifications would be complex.
 - We are not sure a combined card would always be accepted in practice, for example by immigration officers overseas.

Intentions on passports?

- We are considering whether to introduce a photocard passport. No firm decision can be made yet because we need to consult our EU counterparts about compliance with international agreements on passport formats.
- We will announce our intentions once we have consulted.

Issue proof of age cards?

- This arose in the context of underage drinking last summer. The retail and liquor industries undertook to extend use of the Portman Group proof of age card. We are watching their progress with interest.
- Recognise arguments have been put forward for a general Government proof of age or identity card. No current intentions to introduce one. Happy to look at suggestions on how best to prove age.

Use photocard passport to prove age?

- Businesses and others might choose to use photocard passports to prove age. We would issue them solely as passports, to the same security standards as a booklet passport.

Use photocard driving licence as proof of age?

- That is a matter for the Transport Minister, but understand that the photocard driving licence will be intended purely for that purpose.



Chancellor of the Duchy of Lancaster
Cabinet Minister for Public Service

CABINET OFFICE
70 Whitehall, London SW1A 2AS
Telephone: 0171-270 0400

Top ID
cc Ar
PJ

KbO 11194

Jonathan Powell Esq
Chief of Staff
10 Downing Street
London SW1A 2AA

4th December 1997

②
Dan Towallan

SMART CARDS

Following my Private Secretary's note to you on 27 November, I now enclose, as promised, a short paper on smart cards.

The paper does not at this stage reflect an inter-departmentally agreed position, but simply sets out current thinking in the Cabinet Office's Central IT Unit. I would be grateful if you could bear this in mind in any use you might want to make of the paper.

I would be glad to discuss these issues further with you. If you would like any further information or work on any of the options, David Cooke, the new Director of CITU, is happy to follow this up.

David

DAVID CLARK

SMART CARDS

Introduction

1. This paper explains the distinction between Identity Cards and Electronic Signature Cards and summarises progress on the introduction of both in the UK; indicates the cost of setting up systems based on such cards; and examines five broad options. It has not been considered inter-departmentally, and simply reflects current thinking in the Central IT Unit.

Identity Cards

2. Such cards would display: a photograph of the owner; their age; name; address; and a serial number.

3. The Home Secretary has proposed that a voluntary identity card should be introduced in the UK. But we understand that this proposal is currently stalled because of Treasury opposition on cost grounds.

4. There is an argument that identity cards should also carry a chip which would enable the owner to access electronic government services.

Electronic Signature Cards

5. Such cards would look rather similar to a credit card or loyalty card. They would carry the owner's name and a serial number but no photograph or personal information. They would also carry an electronic interface - probably a chip but possibly a magnetic stripe.

5. In the public and Parliamentary debate surrounding the launch of the Green Paper government.direct, concern was expressed that the advent of electronic government services might lead to the introduction of identity cards by the back door. The previous government was careful to stress that electronic government services would be accessible using an electronic signature card only (no photograph, no personal details) and that an identity card would not be required.

7. Electronic signature cards are unlikely to be able to help solve "proof of age" problems such as those associated with buying alcohol or tobacco.

8. UK clearing banks are involved in at least two large international consortia which will launch commercial electronic signature cards on the UK market within the next 12 months. It is expected that many people will come to carry such cards. The current plans are that the Government will accept them as the basis for accessing most electronic services.

9. The benefits claimants card is a kind of low cost/low technology electronic signature card. It is only secure if it is backed up by a question and answer dialogue at the Post Office counter. It is not yet clear whether it will be suitable to provide the means of access to a wider range of government services and this is currently being investigated.

10. In due course the Government will need to consider how to provide access to electronic services for disadvantaged groups who do not have commercial cards. Because of the large costs involved, it seems likely that the most cost effective solution would be to provide free or subsidised commercial cards for such people, rather than a separate government card.

Costs

11. The cost of an electronic signature card with a chip is about £3-£10. However, when the cost of verifying the owner's identity, issuing the card and keeping records are added in the cost of setting up a system is likely to amount to £13-£25 per card issued. This amounts to about £500m to £1Bn for the UK adult population. To this must be added the cost of installing the electronic infrastructure required to assure service providers that a card is valid when it is presented at the point of service delivery. This would add up to another £350m for a UK-wide system. In addition there would be ongoing operational costs.

Smart card policy options

Option 1

12. This is the current policy. The approach would involve initially accessing government services using commercial cards which people have in their pockets anyway; then add existing government cards such as Benefit Claimant Cards if these are suitable; then provide government subsidised commercial cards to disadvantaged people if necessary. This policy is unlikely to make much contribution to law enforcement or controlling the sale of age limited goods.

Option 2

13. This would involve supporting the proposal for a voluntary ID card to facilitate European travel, support law enforcement and help control the sale of age restricted goods. Adding a chip to such a card would enable it to be used as an additional means of accessing government services, beside the means set out in Option 1. In order to take advantage of the large commercial investment in electronic infrastructure, such a chip would need to conform to commercial standards. The principal advantage of adding a chip, apart from its symbolic significance, would be to get a large number of

cards into the hands of the general public more quickly than might occur from take-up of commercial cards.

14. It would be important to sound out the Home Secretary before taking this further. He might welcome the support. On the other hand, he might feel that it complicated the task of launching an identity card (ie one without a chip). In any event, the chip would involve extra cost and this would increase Treasury opposition to the whole project. Piggy-backing on smart cards issued by other players, such as banks is almost certainly likely to be the less expensive way of enabling voluntary take-up of smart cards to expand.

Option 3

15. This would be to introduce a government electronic signature card separate from those being developed by the commercial sector. This option is not recommended. The cost would be in the order of £850m to £1350m and the Treasury would oppose it fiercely on cost grounds and as being unnecessary, given the private sector plans. The private sector would also oppose it by saying that the government was entering into direct competition with them.

Option 4

16. This would be a development of the current policy (Option 1) in which the Government would subsidise the provision of commercial electronic signature cards for the whole population. This would be welcomed by industry and would attract attention worldwide. However, it would be opposed fiercely by the Treasury on grounds of cost (up to around £500m to £1Bn). There would also be the difficult problem of deciding whether to link with just one commercial supplier or to subsidise free personal choice among several.

Option 5

17. This would be to have a government ID card incorporating a chip as the only card recognised for accessing government services. This option is not recommended. It would be attacked by commercial interests as providing unfair competition. The Treasury would oppose the projects on grounds of cost. Perhaps most significantly of all, there would be fierce Parliamentary and pressure group opposition, since this would involve going back on the assurance given by the previous government that accessing electronic government services would not require the use of an identity card.



be PU

10 DOWNING STREET
LONDON SW1A 2AA

From the Prime Minister's Chief of Staff

15 October 1997

VOLUNTARY IDENTITY CARDS

The Prime Minister has considered your proposal that we might announce now that we are proceeding with voluntary identity cards. He is sceptical about the value of this exercise and questions whether it is worth the storm it may well provoke. The level of demand seems unclear and many of the domestic identity requirements will be met in any case by the proposed photo card driving licence. There may of course be a case for a card once we have other uses for it, e.g. a smart card for benefit claims, but preparations for these type of uses are not yet underway.

The Prime Minister does not therefore want to say no to this proposal for good but he would like further thought given to the proposal before agreeing that it should go forward.

JONATHAN POWELL

The Right Honourable Jack Straw MP

de



10 DOWNING STREET

Prime Minister,

✓

John asked for a Derry View on ID cards. I think his summary is fair and, like him, I agree that there is a real risk that this will prove more fuss than it is worth.

Jack is looking to speak to you on a number of issues. I suggest that you raise this with him if you have difficulties with what is proposed. He should certainly have the chance to put his case.

Angus
7/10



RESTRICTED - POLICY

cc RR
PU
PressPRIME MINISTER

VOLUNTARY IDENTITY CARDS

You asked for my views on whether a voluntary identity card should be introduced, as proposed by Jack Straw in his letter of 28 July, 1997. I had not previously intervened in the correspondence among colleagues.

The following arguments favour its introduction:

- it would be a simple and cheap alternative to a passport for travel within the EU;
- it would secure a means of proving age and identity for domestic purposes;
- it could be self-financing; and
- it could become multi-functional, bringing significant efficiency and convenience gains to the public, especially if introduced as a smart card.

- up to a point. I tried on a Belgian ID card - it's hard!

The following arguments militate against its introduction:

- The level of demand is unclear, since anyone with a passport will not in practice obtain an identity card for EU travel;
- the proposed photocard driving licence would meet many of the domestic identity requirements claimed for the identity card, including age;
- the cost of obtaining a card may act as a deterrent; and
- Notwithstanding its voluntary nature, it could so often be asked for that, in effect, it would become "compulsory" over time and pressure might grow on some sensitive groups to carry this card.

- this will be the libertarian argument. The "thin end of the wedge"

I find the arguments against its introduction more persuasive. Alistair Darling's letter of 2 September is telling. The need for the card is not established. The potential "multi-purposes" are unclear. We could run into a storm of protest to very little purpose.

JNL
Lord Chancellor

6 October 1997

*No. I would like
it is idea checked
out by J.P.*

PRIME MINISTER

From: Rob Read
Date: 26 September 1997

cc: Jonathan Powell
Alastair Campbell
David Miliband
Liz Lloyd

VOLUNTARY IDENTITY CARDS

Jack Straw wrote to HS colleagues on 28 July with proposals for developing voluntary identity/EU travel cards (and ruling out a combined driving licence/identity card). Home Office wish to ensure that you are content before proceeding.

I attach a note from Cabinet Office which summarises the views of HS colleagues. There was a broad measure of agreement and no-one wished to block the proposal, although there were one or two questions raised about the extent of the demand and possible pressure on particular groups to carry the card.

Cabinet Office have also helpfully drawn attention to other tricky issues, including the inevitable tangles over design - Jack may not appreciate what a minefield that could be. Overall, however, there would not seem to be any serious objections.

The Home Office are seeking to announce by around mid-October. Subject to our agreeing presentation and timing, are you content?

RLM

ROB READ

Top 102
✓ AC 015
PU

From: Andrew Campbell
Secretariat
Room 130
Ext 0242
Date: 23 September 1997

Mr Read

cc Mr Jeffrey

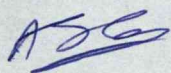
VOLUNTARY IDENTITY CARDS

1. The Home Secretary has sought agreement that the Government should develop a voluntary identity/travel card, available alongside the conventional passport. The proposal differs from that upon which the previous Government consulted, which was for a combined driving licence and identity card.
2. The Home Secretary believes that there are practical difficulties in the way of a combined card. Nevertheless, he believes that a voluntary ID card would:
 - provide the public with a simpler and cheaper alternative to a passport for travel in Europe;
 - be a secure means of proving identity and age domestically (for example, providing proof of age for purchases such as tobacco and alcohol);
 - avoid difficult civil liberties issues.
3. Other Government data might be added in due course to make it a multi-function card.
4. His proposals have met with broad agreement from Robin Cook, Frank Dobson, David Clark, Gavin Strang, Tom Clark and Win Griffiths. However:
 - Ann Taylor has expressed instinctive reservations about the proposal - while not wishing to block it at this stage;
 - Margaret Beckett (while welcoming the proposal from a departmental interest) has questioned whether pressure might grow on sensitive groups to carry such cards with a presumption against those who have not chosen to do so;
 - Alistair Darling has questioned the likely demand for a voluntary card, given that it would not be valid for travel outside Europe and, domestically, the new photocard driving licence, to be introduced from April 1998, would provide proof of age for many; and
 - Frank Dobson has reacted cautiously to the possibility of health data being included on any future multi-function card.
5. The other issues you might wish to bear in mind:
 - although the Home Secretary's letter states that the design of the card would be for the Government to determine (rather than limited by EU requirements, as the

RESTRICTED - POLICY

combined ID card/driving licence would have been), there could be pitfalls if the card were to include national symbols. Any use of the Union Jack would, for example, be sensitive in Northern Ireland. Distinctive symbols could well be pressed for Scotland and Wales;

- although the introduction of any identity card, even a voluntary one, is likely to be opposed by some groups (for example on individual privacy grounds) there are likely to be conflicting claims that the Home Secretary's proposal does not go far enough;
- a voluntary ID card would require primary legislation. There can be no guarantee that a place for such a Bill could be found in the second session programme. An early announcement might generate expectations (and fears) that cannot be realised in the short term.



ANDREW CAMPBELL



RESTRICTED - POLICY

AC to provide
summary.

VCCPU

QUEEN ANNE'S GATE LONDON SW1H 9AT

28 JUL 1997

The Rt Hon John Prescott MP
Deputy Prime Minister and Secretary of State
for the Environment, Transport and the Regions
Eland House
Bressenden Place
London
SW1E 5DU

Dear John,

VOLUNTARY IDENTITY CARDS

I wrote to Gavin Strang on 9 June proposing that we should delay any commitment to early introduction of the photocard driving licence until we had decided whether or not we wanted a voluntary identity card and, if so, whether it should be linked to the driving licence. I am grateful for Gavin's patience in holding up his plans while I had a chance to consider this issue properly.

This letter seeks HS agreement, in principle, by 2 September that (i) we should rule out a joint driving licence identity card, and (ii) we should develop a voluntary identity/travel card, available alongside the conventional British passport.

At first sight it may seem attractive to combine in one piece of plastic the functions of an identity card, travel document and driving licence. I have therefore considered this option carefully. I believe, however, that there are a number of practical objections, which, taken together, are compelling:

- Lack of space and flexibility to develop identity card functions within the common EU format for photocard driving licences.
- The complexity of dealing with driving disqualifications of people holding a combined card.
- Our uncertainty about acceptance/easy recognition by immigration officers across Europe of a driving licence-based document. Other European countries do not have combined cards; their identity cards are separate and clearly valid as travel documents.

RESTRICTED - POLICY

RESTRICTED - POLICY

- The current low level of vetting of driving licence applications, and the need therefore to involve both DVLA and the UK Passport Agency in the checks necessary to establish both driving entitlement and identity/nationality.
- An underlying worry that linking an identity card with the new photocard driving licence will smack of compulsion, even if the combined card is a voluntary option. (Even more than passports, driving licences are now virtually a standard document for adults.)

I feel that we should therefore rule out a driving licence/identity card option. To enable his planning to go ahead, Gavin Strang needs confirmation of this as soon as possible. Whatever views colleagues take of the positive proposal below, therefore, I should be grateful for agreement now to dropping the driving licence/identity card suggestion.

As to the way forward, I have considered the arguments for and against any form of identity card. While I think it is clear that we should not contemplate a compulsory card, I believe there would be a number of advantages to a voluntary identity card, and this would not raise any significant civil liberties concerns.

What I propose is that we should introduce a straightforward identity/travel card. This would be issued by the Passport Agency in much the same way as a passport. They have the experience and the machinery to do this; and it is a much surer way of controlling costs than setting up a new Identity Agency.

The card would provide the public with a simpler and cheaper alternative to a passport for travel in Europe and it would be a secure means of proving identity and age domestically. This would help people with purchases and major financial transactions, proving entitlement to state benefits and giving the proof of age necessary for access to age-related goods and services. (Liquor, tobacco, videos, fireworks and cinema admissions are obvious examples of the latter; colleagues may have others. For the immediate future we have persuaded the liquor and retail industries to relaunch the Portman Group proof of age card, but there is demand for something that could be used for all proof of age purposes.)

We could also keep open the option of adding more features later - so that it might, in due course, become the sort of multi-function Government services card which David Clarke mentioned in his letter of 16 June to Gavin Strang.

The card would be entirely voluntary. Obtaining it would require a conscious decision; it would still be possible to obtain a conventional British passport without any identity card function. The design of the card, its languages, its security features and the method of issue would be matters for us alone to determine; there is no EU Directive constraining us.

The introduction of identity cards would require primary legislation. I am considering whether to bid for a place in the 1998-99 programme. Subject to QFL

RESTRICTED - POLICY

RESTRICTED - POLICY

decisions, I would want to be able to make clear our general intention by mid-October - albeit explaining that the card could not be in place before 1999 and might be later. Both the Commons Home Affairs Committee and the previous Government proposed an identity card, and we will need to make clear our intentions before too long. Gavin's plans for a photocard driving licence will inevitably put identity cards in focus. Also, following the controversy over underage drinking, some industry interests are anxious to know our medium-term intentions so that they can make sensible decisions for the future on the wider proof of age front.

I do not expect these proposals to make any net call on public expenditure. For the development costs of the identity card itself, I would look to the private finance route, in which case any residual start-up costs would be small and absorbable within Home Office provision. I would charge fees to recover capital and current costs.

At this stage I seek colleagues' agreement to the principle of this approach. Implementation issues such as design, national emblems, language and fee regimes would be a matter for later consultation. So would the question of whether the fees should incorporate an element to cover FCO Consular Services, currently funded from ordinary passport fees. I would also liaise with Gavin Strang about a public statement to cover both driving licences and the passport identity card.

I am sending a copy of this letter to the Prime Minister, members of HS and QFL, other Cabinet Ministers, the Minister without Portfolio, the Economic Secretary to the Treasury, David Miliband and to Sir Robin Butler.

Yours ever

Jack

JACK STRAW

RESTRICTED - POLICY

The Rt Hon Margaret Beckett MP
President of the Board of Trade



The Rt Hon Jack Straw MP
Secretary of State for
the Home Office
50 Queen Anne's Gate
London
SW1H 9AT

Secretary of State
Department of
Trade and Industry

1 Victoria Street
London SW1H 0ET

Direct line
0171-215 5430

DTI Enquiries
0171-215 5000

E Mail Address
TLO.Beckett@TLO.dti.gov.uk

16 September 1997

(P)

Dear Secretary of State

Thank you for copying to me your letter of 28 July to the Deputy Prime Minister about voluntary identity cards.

I have no reason to disagree with your conclusions that we should not seek to develop the new photocard driving licence as some wider identity card.

As you say, the retail sector is likely to be supportive of a "proof of age" document to help meet their legal responsibilities in areas such as the sale of alcohol, tobacco and knives and the rental of videos. We are also currently consulting on proposals for new fireworks regulations, one aspect of which might be to raise the minimum age for purchases of fireworks to 18. An identity card would clearly assist retailers meet their obligations.

For my own part I have some reservations about the pressure that might grow on sensitive groups to carry such cards with a presumption against those who have not chosen to do so. However, I look forward to hearing further details of your proposal.

I am copying this letter to the Prime Minister, members of HS and QFL, other Cabinet Ministers, the Minister without Portfolio, the Economic Secretary to the Treasury, David Miliband and to Sir Robin Butler.

yours sincerely
Anthony Thompson

MARGARET BECKETT
[Approved by the President
and signed in her absence]

CM9053





CABINET OFFICE
70 Whitehall, London SW1A 2AS
Telephone: 0171-270 0400

Chancellor of the Duchy of Lancaster
Cabinet Minister for Public Service

Top A1
✓ CC: 80

The Rt Hon Jack Straw MP
Home Secretary
Home Office
50 Queen Anne's Gate
LONDON SW1H 9AT

| September 1997

Dear Home Secretary,

Ⓟ

VOLUNTARY IDENTITY CARDS

Thank you for copying to me your letter of 28 July addressed to John Prescott.

I accept your analysis of the practical objections to a joint driving licence identity card and I have no difficulty in agreeing to rule it out. I welcome your proposal for a voluntary identity travel card, and in particular the prospect of a future multi-function role for the card. A multi-function card would offer significant advantages in terms of efficiency and convenience for people using public services, and support the aims of Better Government, which will be the subject of a White Paper early next year. It could also help to harmonise the delivery of central government services with those from local government.

To be fully effective such a card will need to provide access to services delivered electronically, through new media such as touchscreen terminals in public places and interactive television, to which I referred in my letter to HS colleagues dated 28 May 1997. As well as improving accessibility and quality, I also see electronic service delivery leading in due course to substantial savings in the cost of providing services.

To achieve these benefits, the card would need to be a "smart" card – in other words contain a computer chip. This technology would need to be considered from the outset – adding "smartness" later will almost certainly result in extra cost. A "smart card", being flexible, would allow us to retain an open mind on the scope of functions eventually included on the card, and ensure that we exploit to the full the opportunities for cutting red tape for citizens, both domestically and when travelling in the EU.

I do, however, fully accept Frank Dobson's concerns about personal health data being held on such a multi-function "smart card". I understand that in practice very little personal data would need to be carried on a "smart card" for it to be of wide application to our programme for Better Government, and none of this data needs to relate to the health of the holder.

Finally, I strongly agree that an important use of the card would be in facilitating compliance with age-related restrictions on goods and services. This will help ordinary citizens, both younger and older people, as well as those in the public and private sectors involved in supplying such goods and services.

Subject to my officials being consulted about the multi-function and "smart" aspects of a voluntary identity travel card before a decision is taken, I agree in principle with your proposals. I am copying this letter to the Prime Minister, members of HS and QLF Committees, other Cabinet colleagues, the Minister without Portfolio, the Economic Secretary to the Treasury, David Miliband and Sir Robin Butler.

Yours sincerely,



PP **DAVID CLARK**

*(Approved by the Chancellor of
the Duchy and signed in
his absence).*



THE SCOTTISH OFFICE
DOVER HOUSE
WHITEHALL
LONDON SW1A 2AU

The Rt Hon Jack Straw MP
Secretary of State for the Home Department
Home Office
50 Queen Anne's Gate
LONDON
SW1H 9AT

30 August 1997

Dear Jack,

VOLUNTARY IDENTITY CARDS

Thank you for copying to me your letter of 28 July to John Prescott seeking agreement in principle to ruling out a joint driving licence/identity card and introducing a voluntary identity card/travel card scheme.

There are no particular Scottish issues arising from your proposal and I have no difficulty in agreeing in principle.

I note that you intend to consult on the issues of design, national emblems, language and fees at a later date. These are particularly sensitive issues here and I would be grateful if your officials would keep closely in touch with mine on the development of this proposal.

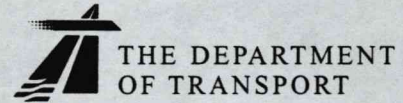
I am copying this letter to the Prime Minister, members of HS and QFL, other Cabinet Ministers, the Minister without Portfolio, the Economic Secretary to the Treasury, David Miliband and Jan Polley.

Yours sincerely,
Donald Dewar
DONALD DEWAR

Tap - An
cc/PO

DEPARTMENT
OF THE
ENVIRONMENT

RESTRICTED - POLICY



My ref: S/PSO/7117/97

Your ref:

The Rt Hon Jack Straw MP
Home Secretary
Home Office
50 Queen Anne's Gate
LONDON
SW1H 9AT

(P)

28 AUG 1997

Dear Jack,

VOLUNTARY IDENTITY CARDS

You wrote to the Deputy Prime Minister on 28 July about the possibility of introducing a voluntary identity card. I welcome your conclusion that, whatever is decided on that, we should rule out now the option of a single card combining driving licence and identity card functions. As you say, there have always been a number of awkward practical problems attached to that proposal, and, as you know, I am concerned that it would bring further delay and uncertainty to our project to introduce a photocard driving licence, on which we already have less time to meet our EU obligations than I would have liked. I therefore fully support your proposal to drop the idea of a combined driving licence/identity card.

You suggested that we should issue a joint statement covering both the driving licence and our conclusions on identity cards. I am not convinced that this is the right approach. There is in fact no need to make any public statement at this stage of the photocard project, and I would rather gear any statement to some important development in the project such as

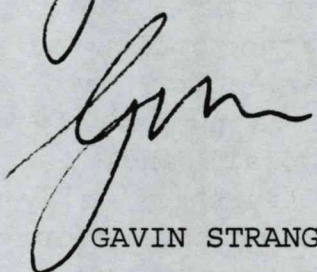
RESTRICTED - POLICY

RESTRICTED - POLICY

the announcement of a date for first issue of the cards. Bracketing the two cards together risks complication and delay. But our officials will of course continue to keep in close touch with yours about handling issues arising from either card.

You mentioned national emblems as one of the implementation issues for late consideration in connection with any identity card. As far as the photocard driving licence is concerned, I have noted that, while some colleagues see scope for national symbols to be added, others have pointed out the serious difficulties they raise in certain parts of the country. I have concluded that we should not add any national or regional symbols to the common design laid down in the relevant EU directive. As far as Wales is concerned, there will of course be bilingual versions of the licences.

/ I am copying this letter to the Prime Minister, the Deputy Prime Minister, members of HS and QFL, other Cabinet Ministers, the Minister without Portfolio, the Economic Secretary to the Treasury, David Miliband and to Sir Robin Butler.

Yours sincerely,

GAVIN STRANG

RESTRICTED - POLICY



2-4 Cockspur Street
London SW1Y 5DH
Telephone: 0171-211 6304
Facsimile: 0171-211 6294

Minister of State for Film and Tourism
The Rt Hon Tom Clarke CBE MP

C97/12958/07239

The Rt Hon Jack Straw MP
Home Secretary
Home Office
Queen Anne's Gate
London
SW1H 9AT

27 August 1997

Dear Jack, (P)

VOLUNTARY IDENTITY CARDS BILL

Thank you for a copy of your letter of 28 July to John Prescott concerning your proposals on the approach to the issue of voluntary identity cards. I am replying in Chris's absence.

I am content with your proposals. Your reasons for ruling out a combined driving licence/identity card are convincing; the potential advantages all lie with a card aimed primarily at providing proof of identity and, in certain circumstances, of age. I agree that such cards should be voluntary - although once they are widespread there will inevitably be pressure towards having and using one - and that as much flexibility as possible should be retained at this stage in relation to implementation.

- > Copies of this letter go to the Prime Minister, members of HS and QFL, other Cabinet Ministers, the Minister without Portfolio, the Economic Secretary to the Treasury, David Miliband, and to Robin Butler.

Kind regards,
Yours sincerely

THE RT HON TOM CLARKE CBE MP
Minister for Film and Tourism

Top - AL
cc PJ



Y SWYDDFA GYMREIG
Tŷ GWYDIR
WHITEHALL LLUNDAIN SW1A 2ER
Ffôn: 0171-270 3000 (Switsfwrdd)
0171-270 (Llinell Union)
Ffacs: 0171-270 0568

WELSH OFFICE
GWYDYR HOUSE
WHITEHALL LONDON SW1A 2ER
Tel: 0171-270 3000 (Switchboard)
0171-270 (Direct Line)
Fax: 0171-270 0568

Oddi wrth yr Is-Ysgrifennydd Seneddol

WIN GRIFFITHS MP

From The Parliamentary Under-Secretary

18 August 1997

23/8

RESTRICTED: POLICY

The Rt Hon Jack Straw MP
The Home Secretary
Queen Anne's Gate
London SW1H 9AT

(P)

Dear Jack,

VOLUNTARY IDENTITY CARDS

You copied to Ron Davies your letter of 28 July to John Prescott explaining your proposals for the introduction of separate schemes for the new EU driving licence and a voluntary UK identity/travel card. You asked for the agreement in principle of members of HS by 2 September.

I am happy to give this Department's agreement and endorse fully the argument for a separate, voluntary, identity card scheme. However, in giving that agreement I think it is worth repeating the issues highlighted by Ron in his letter of 13 June to Gavin Strang. They are that the provisions of the Welsh Language Act 1993 require English and Welsh to be given equal status in the conduct of public business in Wales, and that consideration be given to public opinion in Wales regarding the choice of national symbols to be incorporated into the design of the new card.

In effect this would mean a bi-lingual identity card in Wales, and if any national symbol was to be included in the design of the card then in Wales it should be the Welsh Dragon. As Ron has said, there was previously considerable hostility in Wales to the suggestion that the identity cards should bear the Union Jack. While we have no strong opinion either way on the question of whether a national symbol should be included in the design of the new card we feel strongly that if any national symbol is included then it should be a Welsh symbol for cards issued in Wales. Not to do so would provoke considerable opposition to the whole scheme in Wales and could be



perceived to be at odds with our policy on Welsh devolution. I appreciate that you have flagged up issues such as these for later consultation, but I think it does no harm at this stage for me to point out that these are issues of some importance in Wales.

I am sending a copy of this letter to the Prime Minister, members of HS and QFL, other Cabinet Ministers, the Minister without Portfolio, the Economic Secretary to the Treasury, David Miliband and to Sir Robin Butler.

Yours sincerely,

W



CCP/AL

FCS/97/077

HOME SECRETARY

(2)

Voluntary Identity Cards

1. Thank you for sending me a copy of your letter of 28 July to John Prescott seeking agreement, in principle, that the Government rule out a joint driving licence/identity card, but that we develop a voluntary identity/travel card, available alongside the conventional British passport.

2. I agree with your approach, and that the complications of combining an identity card, travel document and driving licence outweigh the benefits of a single card. I also agree that it makes sense to press ahead with preparations for the new driving licence as soon as possible.

3. I have no objections, in principle, to your proposals for a joint identity/travel card. The idea of a smaller, lighter document for travel within the EEA is attractive. There are, as you say, implementation issues still to be resolved. These should include the question of funding FCO consular services because a significant proportion of consular protection work is done in the EEA. I would therefore want the FCO's costs covered by the fee for an ID card.

4. We also need to take the Gibraltar angle into account. Gibraltar already issues an ID card which is valid for EU travel purposes. Before any public announcement about our proposed new UK card, we will need to brief the Gibraltar Government on our intentions and the ramifications for their own card.

RESTRICTED - POLICY



5. I am copying this letter to the recipients of yours.

A handwritten signature in black ink, reading "Robin Cook".

ROBIN COOK

Foreign and Commonwealth Office
21 August 1997

RESTRICTED - POLICY



Richmond House 79 Whitehall London SW1A 2NS Telephone 0171 210 3000
From the Secretary of State for Health

Top AL

SC:PV

The Rt Hon Jack Straw MP
Secretary of State
Home Office
50 Queen Anne's Gate
London
SW1H 9AT

7 August 1997

(P)

VOLUNTARY IDENTITY CARDS

Thank you for copying to me your letter of 28 July addressed to John Prescott seeking HS agreement in principle that i) we should rule out a joint Driving Licence Identity Card and ii) we should develop a Voluntary Identity \Travel Card, available alongside the conventional British passport.

I understand that there are no implications for my department of your suggestion to separate the introduction of Photocard Driving Licences and Identity Cards. I am therefore able to give my agreement to dropping the suggestion regarding Driving Licence\ Identity Card .

I also agree in principle to the proposal to develop a Voluntary Identity\Travel Card scheme. This is, however, subject to there being full discussions with my department on any proposal to include health information on any voluntary Identity\Travel Card that might be introduced.

You refer in your letter to keeping the option open of adding features to a possible voluntary Identity Card so that it might become the sort of multi-function Government services card which David Clarke mentioned in his letter of 16 June to Gavin Strang.

We would have to consider very carefully suggestions to include health data in any proposal for a multi-function Government card to serve as an identity card together with other functions. This is because we expect the medical profession to have concerns about access to health data by unauthorised people, especially in the case of multi-function cards which might be read by non-health personnel. There would also be an issue about whether the public would be

confident that their health data on a multi-function card would be protected and accessed only by health personnel.



A copy of this letter goes to recipients of your letter.

A handwritten signature in black ink, consisting of a stylized 'F' followed by a horizontal line and a checkmark-like flourish.

FRANK DOBSON



The Rt Hon Ann Taylor MP

PRIVY COUNCIL OFFICE

68 WHITEHALL LONDON SW1A 2AT

31 July 1997

Dear Jeff,

VOLUNTARY IDENTITY CARDS

The President of the Council has seen the Home Secretary's letter to Mr Prescott of 28 July.

The President remains in favour of pursuing a photocard driving licence. She is content with the Home Secretary's advice that the option of a driving licence/identity card be dropped.

On the question of a voluntary ID card, the President is not instinctively in favour. However, she would not want to block consideration of this proposal pending further discussion amongst colleagues.

I am copying this letter to the Private Secretaries to the Prime Minister and other Cabinet Ministers, the Minister without Portfolio, the Economic Secretary to the Treasury, and to David Milliband and Jan Polley.

Yours,

PAUL COHEN
Principal Private Secretary

Jeff Jacobs Esq
PS/The Rt Hon John Prescott MP
Deputy Prime Minister
6th Floor
Eland House
Bressenden Place
LONDON SW1E 5DU



RESTRICTED - POLICY

QUEEN ANNE'S GATE LONDON SW1H 9AT

28 JUL 1997

The Rt Hon John Prescott MP
Deputy Prime Minister and Secretary of State
for the Environment, Transport and the Regions
Eland House
Bressenden Place
London
SW1E 5DU

(P)

Dear John,

VOLUNTARY IDENTITY CARDS

I wrote to Gavin Strang on 9 June proposing that we should delay any commitment to early introduction of the photocard driving licence until we had decided whether or not we wanted a voluntary identity card and, if so, whether it should be linked to the driving licence. I am grateful for Gavin's patience in holding up his plans while I had a chance to consider this issue properly.

This letter seeks HS agreement, in principle, by 2 September that (i) we should rule out a joint driving licence identity card, and (ii) we should develop a voluntary identity/travel card, available alongside the conventional British passport.

At first sight it may seem attractive to combine in one piece of plastic the functions of an identity card, travel document and driving licence. I have therefore considered this option carefully. I believe, however, that there are a number of practical objections, which, taken together, are compelling:

- Lack of space and flexibility to develop identity card functions within the common EU format for photocard driving licences.
- The complexity of dealing with driving disqualifications of people holding a combined card.
- Our uncertainty about acceptance/easy recognition by immigration officers across Europe of a driving licence-based document. Other European countries do not have combined cards; their identity cards are separate and clearly valid as travel documents.

RESTRICTED - POLICY

RESTRICTED - POLICY

- The current low level of vetting of driving licence applications, and the need therefore to involve both DVLA and the UK Passport Agency in the checks necessary to establish both driving entitlement and identity/nationality.
- An underlying worry that linking an identity card with the new photocard driving licence will smack of compulsion, even if the combined card is a voluntary option. (Even more than passports, driving licences are now virtually a standard document for adults.)

I feel that we should therefore rule out a driving licence/identity card option. To enable his planning to go ahead, Gavin Strang needs confirmation of this as soon as possible. Whatever views colleagues take of the positive proposal below, therefore, I should be grateful for agreement now to dropping the driving licence/identity card suggestion.

As to the way forward, I have considered the arguments for and against any form of identity card. While I think it is clear that we should not contemplate a compulsory card, I believe there would be a number of advantages to a voluntary identity card, and this would not raise any significant civil liberties concerns.

What I propose is that we should introduce a straightforward identity/travel card. This would be issued by the Passport Agency in much the same way as a passport. They have the experience and the machinery to do this; and it is a much surer way of controlling costs than setting up a new Identity Agency.

The card would provide the public with a simpler and cheaper alternative to a passport for travel in Europe and it would be a secure means of proving identity and age domestically. This would help people with purchases and major financial transactions, proving entitlement to state benefits and giving the proof of age necessary for access to age-related goods and services. (Liquor, tobacco, videos, fireworks and cinema admissions are obvious examples of the latter; colleagues may have others. For the immediate future we have persuaded the liquor and retail industries to relaunch the Portman Group proof of age card, but there is demand for something that could be used for all proof of age purposes.)

We could also keep open the option of adding more features later - so that it might, in due course, become the sort of multi-function Government services card which David Clarke mentioned in his letter of 16 June to Gavin Strang.

The card would be entirely voluntary. Obtaining it would require a conscious decision; it would still be possible to obtain a conventional British passport without any identity card function. The design of the card, its languages, its security features and the method of issue would be matters for us alone to determine; there is no EU Directive constraining us.

The introduction of identity cards would require primary legislation. I am considering whether to bid for a place in the 1998-99 programme. Subject to QFL

RESTRICTED - POLICY

RESTRICTED - POLICY

decisions, I would want to be able to make clear our general intention by mid-October - albeit explaining that the card could not be in place before 1999 and might be later. Both the Commons Home Affairs Committee and the previous Government proposed an identity card, and we will need to make clear our intentions before too long. Gavin's plans for a photocard driving licence will inevitably put identity cards in focus. Also, following the controversy over underage drinking, some industry interests are anxious to know our medium-term intentions so that they can make sensible decisions for the future on the wider proof of age front.

I do not expect these proposals to make any net call on public expenditure. For the development costs of the identity card itself, I would look to the private finance route, in which case any residual start-up costs would be small and absorbable within Home Office provision. I would charge fees to recover capital and current costs.

At this stage I seek colleagues' agreement to the principle of this approach. Implementation issues such as design, national emblems, language and fee regimes would be a matter for later consultation. So would the question of whether the fees should incorporate an element to cover FCO Consular Services, currently funded from ordinary passport fees. I would also liaise with Gavin Strang about a public statement to cover both driving licences and the passport identity card.

I am sending a copy of this letter to the Prime Minister, members of HS and QFL, other Cabinet Ministers, the Minister without Portfolio, the Economic Secretary to the Treasury, David Miliband and to Sir Robin Butler.

Yours ever

Jack

JACK STRAW

CONFIDENTIAL

CONFIDENTIAL