

## **ENTITLEMENT CARDS AND IDENTITY FRAUD - CONSULTATION**

### **1 SUMMARY**

- 1.1 The purpose of this report is to agree a formal response to the above consultation.

### **2 BACKGROUND**

- 2.1 The consultation document was received on 6 September and responses are required by 10 January 2003. Copies of the document are on deposit in the Members Rooms at Rayleigh and Rochford.
- 2.2 This is a comprehensive consultation document containing 146 pages and requesting responses to 35 specific points. The report will, therefore, be only covering each of the issues in brief and suggesting possible responses.

### **3 GENERAL OUTLINE**

- 3.1 The Government is proposing a voluntary entitlement card scheme. The consultation document makes it very clear that a compulsory scheme is not being suggested.
- 3.2 The objectives of the card would be to:-
- Provide people who are lawfully resident in the UK with a means of confirming their identity to a high degree of assurance
  - Establish for official purposes a person's identity so that there is one definitive record of an identity which all Government departments can use if they wish
  - Help people gain entitlement to products and services provided by both the public and private sectors, particularly those who might find it difficult to do so at present
  - Help public and private sector organisations to validate a person's identity, entitlement to products and services and eligibility to work in the UK.

3.3 The potential uses of the card would be:-

- To control immigration
- To provide a “one stop shop” for providing information for a range of different services
- To prevent identity theft and identity fraud. May substitute for a passport for travel in Europe. Could be used as proof of age card.

3.4 The cost of implementing the scheme would be in the region of £1.5bn., although it is envisaged that this would be financed from card fees.

## **4 THE OPTIONS FOR AN ENTITLEMENT CARD SCHEME**

### **4.1 Principles**

4.1.1 The entitlement card scheme would comprise:-

- A central database capable of covering all of the resident population of the UK. This would hold core personal information.
- Secure procedures to establish entries and keep up to date
- Links between the database and other systems by service providers. Restrictions would be in place to ensure information to other service providers was not made available without consent.
- The issue of a plastic card to everyone on the database. These would be smart cards and have information in order for the cardholder to conveniently prove their identity.

#### Question 1

The Government invites views on the principle of establishing an entitlement card scheme as a more efficient and convenient way of providing services, tackling illegal immigration and illegal working and combating identity fraud.

#### Comment

A scheme of this nature will have major ramifications in respect of citizens' rights, confidentiality, exchange of data, etc. Purely from an administration point of view, a single secure method of establishing identity would be useful, particularly in the field of housing benefit entitlement and fraud prevention.

## **4.2 Coverage**

- 4.2.1 The scheme needs to be capable of covering the whole population. This could be a single card covering a multitude of services. This would be efficient in that different methods of establishing identification would not be needed.
- 4.2.2 There could be one or more targeted cards, eg., for housing benefit use or VAT registration.

### Question 2

Should the Government give consideration to one or more targeted entitlement card schemes and, if so, what sort of schemes should be considered?

### Comment

The public may feel more comfortable with cards which are issued for services that they wish to access, eg., benefits.

## **4.3 Voluntary or Compulsory**

- 4.3.1 Three types of scheme are set out in the document, voluntary, universal entitlement and compulsory.
- 4.3.2 The voluntary scheme:
- Is entirely at the discretion of the individual as to whether they wish to register
  - Individual choice as to whether or not to use the card, ie., there would always be an alternative method of gaining a service.
- 4.3.3 A universal card scheme is one where:
- Everyone in the country over a certain age would be required to register
  - A card would be the only way to access service.
- 4.3.4 The compulsory scheme would be the same as the universal card scheme, but the individual would be required to carry it or produce it within a certain time to a police officer or other authorised person.
- 4.3.5 The concept of a compulsory scheme has already been ruled out by the Government.

Question 3

Views are invited on whether the Government should implement a voluntary entitlement card scheme .

Question 4

Views are invited on whether the Government should implement a universal entitlement card scheme where:

- i. it would be a requirement that all lawful residents of the UK over a certain age register with a scheme and obtain a card
- ii. service providers would be free to decide whether or not to use the card scheme as the means to access their service
- iii. service providers who did choose to use the card scheme would make the scheme the exclusive way to access their services (with exceptions for emergencies such as lost or stolen cards)
- iv. some services would rely on the database which administered the card scheme rather than require production of a card if that was a more efficient and convenient way to provide the service.

Comment

The voluntary scheme may not be as efficient as the universal entitlement card scheme, but would probably be more acceptable to the public at large. The universal entitlement card scheme is, in essence, only one step away from being compulsory.

**4.4 Legal Basis for a Scheme**

4.4.1 An entitlement card for UK citizens only could be implemented without legislation if it was based around passports which are issued under Royal Prerogative. Primary legislation would be needed if the scheme were to cover:

- The establishment of an entitlement as a legal entity
- Powers to make regulations on how entitlement cards could be issued (as is currently the case for issuing of driving licences)
- Creation of criminal offences for making fraudulent applications for cards, fraudulent use of cards and counterfeiting of cards
- Rules for sharing of any information contained in the card issuing database with other parties

- Penalties for failure to notify changes to personal details, for example change of address or change of name.

4.4.2 As one of the primary suggested uses of the card would be immigration control to help combat illegal working, the legislation would be a matter for the Westminster Parliament and the Scottish Executive and Parliament.

4.4.3 Details regarding the issuing of the cards would be contained in secondary legislation, as is currently the case with driving licences.

#### Question 5

Views are invited on what the contents and scope should be of any legislation to implement an entitlement card scheme.

#### Comment

The response to this and question 6 below will depend very much on the Council's view with regard to the type of scheme it would support. These questions apply to the universal entitlement card scheme. Problems associated with the issuing of cards will need to be dealt with as and when they arise. It is, therefore, understandable why the Government would wish to limit the coverage of primary legislation to policy issues with the detail being left to secondary legislation.

4.4.4 It is anticipated that there would need to be a period of grace for people to obtain a card. There would, however, need to be a specified date by which time everyone would have a card.

4.4.5 The main sanction for not having a card would be denial of service. If, however, the card could be utilised for driving licence purposes, then criminal sanction for non-production would remain.

4.4.6 Sanctions already apply in relation to changes of details for driving licences and passports.

4.4.7 If the card were to be able to be used for driving licence and passport purposes, a substitute card would need to be issued if any of the former had to be surrendered.

#### Question 6

Views are invited on what powers the Government should have to require cards to be held in any universal scheme and what incentives and sanctions there could be to help ensure universal coverage.

Comment

As mentioned at question 5 above, the answer to this question is dependent on Members' views with regard to the type of card supported. If Members do support this kind of card, then it is suggested that existing sanctions may be sufficient. Additional sanctions would be required to ensure immigrants were properly registered.

**4.5 Unique Personal Number**

4.5.1 There is currently a range of identification numbers allocated to an individual, etc., National Insurance, driving licence, passport. There could, therefore, be administrative savings by having one unique number allocated to every person.

4.5.2 This could not be achieved with the voluntary scheme. The answers to questions following in respect of this area of the document again concentrate on the universal entitlement card scheme.

Question 7

Views are invited on whether any entitlement card scheme should allocate a unique personal number to each cardholder, what form any number should take and whether it should be incorporated into the card itself.

Comment

The concept of a new number is supported and could be included on the card.

**4.6 A Population Register**

4.6.1 There are many databases at present containing personal information, eg., National Insurance, Income Tax, NHS, etc. Many of these contain similar information. A single database containing core personal information could, over time, increase efficiency and thereby simplify the access to services.

4.6.2 Sweden already has a well-established population register.

4.6.3 The Government believes this to be the best solution, but recognises it will take many years of high level political leadership and prolonged commitment by the public bodies involved to achieve it.

Question 8

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Views are invited on the development of a national population register which could be used in a sophisticated way across the public sector with the aims of improving customer service and efficiency.

Comment

If the concept of a universal entitlement card is accepted, then progression to a single database is logical.

If the card were introduced, it would mean that the Government would have the defined way of recording names and addresses. There may be costs in moving local systems and databases into line.

**5 POSSIBLE USES FOR AN ENTITLEMENT CARD**

**5.1 Providing Better Services**

5.1.1 On many occasions people are required to provide change of details, such as change of address, to a number of different agencies. With a comprehensive database it would only be necessary to provide the information once. The system could simplify service provision in two ways:-

- By providing a means to check that people are who they say they are when they access a service (authentication)
- By storing some service entitlements electronically on a microchip embedded in an entitlement card (smart card)

5.1.2 Whilst a comprehensive database would improve the efficiency of service delivery, the system would be complex, with significant set-up costs and a number of concerns:

- Each service would face transition costs in adapting IT systems and procedures and in training staff.
- As it would be some time before cards were widely held, services would need to be able to deal with those without cards as well as cardholders. Unless cards became mandatory for all users of a particular service, it would have to maintain at least two ways of operating indefinitely.
- If the card scheme became the only way to access a very wide range of services, people might be denied services while they waited for a replacement for a lost or stolen card unless there were effective procedures in place to check records on the central register in the absence of a card.

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- Most people interact with Government infrequently compared with other services. This is particularly the case for central Government as opposed to local government services. There may be limited value in a card which simplified just a few of their dealings with service providers.
  - A significant amount of personal information would be held in one place and there would need to be sufficient safeguards to prevent abuse.
  - The project would be large scale and challenging with the kinds of major risks associated with any large IT project.
  - Retailers and other organisations might be reluctant to use the card in place of their own cards because of the loss of brand identity.

#### Question 9

Views are welcomed on whether an entitlement card scheme would allow for more efficient and effective delivery of Government services and what services people would most like to see linked to the card scheme.

#### Question 10

Views are also welcomed from organisations providing services in the public and private sectors on whether they would like to link their services to a card scheme and what features they would want to see in a card scheme that would most benefit their services.

#### Comment

If a universal scheme could be introduced with safeguards which satisfied the public, then there would be scope for improving service provision. The problems should not be underestimated as the Government acknowledges in the document the problems encountered in attempting to computerise the National Insurance records.

The Council would probably benefit most from the housing benefit system being included in the scheme.

It will be interesting to see the public response to the concept of private service providers, such as retailers, being allowed into the scheme.

## **5.2 Identity Fraud**

- 5.2.1 Identity fraud is estimated to cost the UK at least £1.3bn. each year, split equally between the public and private sectors.



5.2.2 The entitlement card scheme could help provide assurance of identity if:

- The card scheme was flexible in how it could be used to prove identity. If a scheme only provided proof of identity when the card was shown, this would severely limit its usefulness as organisations move to provide their services over the telephone and internet.
- The process for applying for a card was simple and not in addition to applying for other forms of Government issued “identity” documents such as the photocard driving licence and the passport.
- The card scheme could be used by the private sector where at least half of all identity fraud takes place.

5.2.3 The main drawbacks of depending on a card scheme to counter identity fraud are:-

- It will be some years before entitlement cards are widely held. There would be a need for legislation before the systems could be developed and cards would probably be issued gradually.
- It is highly likely that an entitlement card scheme would become the target of organised criminals who would attempt to produce counterfeit cards. Even if counterfeit cards could be detected by sophisticated checks, many people might still be fooled by them and become victims of crime.
- Best practice in combating identity fraud stresses that organisations should not rely on a simple source document or check to establish a person’s identity. Organisations should make a number of checks from different sources. The range and sophistication of the checks will depend on the value of the product or service offered. Some commercial organisations have indicated their reluctance to undertake checks on identity – preferring to tolerate a level of fraud – unless they can clearly identify a financial benefit which would outweigh the cost of checks.

#### Question 11

Views are sought on whether an entitlement card scheme would be a cost effective additional measure against identity fraud and related criminal activities such as money laundering.

#### Comment

This will be totally dependent upon the level of confidence the public and service providers have in the security of the system.

**5.3 Tackling Illegal Immigration and Illegal Working**

- 5.3.1 The universal entitlement card would be issued to legal immigrants, which would then allow them to be considered to employment in the UK.
- 5.3.2 Section 8 of the Asylum and Immigration Act 1996 made it an offence for employers to knowingly or negligently employ people who have no permission to work. The measure has not been successful with less than 30 convictions during 2000.
- 5.3.3 The Nationality, Immigration and Asylum Bill currently before Parliament will require a greater burden of proof on employers to show they have sought to verify identity. Also, the powers of Immigration Officers to investigate and prosecute will be extended.
- 5.3.4 The universal entitlement card could assist employers to comply with legislation. In order to achieve this:
- Entitlement cards would have to be issued to everyone who was lawfully resident in the UK, ie., the scheme would have to be universal
  - Cards would have to be issued promptly to avoid there being an undue delay between a person taking employment for the first time and obtaining a card. Employers would be allowed a period of grace if the employee was waiting for a card.
  - Employers would need to be able to check the entitlement card database to confirm that an employee without a card had an application pending for a new or replacement card. This check would not necessarily need online access to the database; it could be provided by telephoning a call centre.
- 5.3.5 The requirement to have a card may discourage some immigrants from applying to the UK.

Question 12

The views of employers, trade unions and other interested parties are sought on whether an entitlement card would be an effective means (as part of a wider package) to combat illegal working and illegal immigration and what suggestions they might have for how a scheme could be designed to minimise administrative burdens on employers.

Comment

Support for this element of proposed usage would require agreement with the principle of a universal entitlement card scheme. This

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probably would assist with the control of illegal immigration and employment. Easy, but secure access to information would be required by employers.

**5.4 A Convenient Travel Document**

- 5.4.1 The card could be suitable for a passport for travel in the European Union.

Question 13

Views are sought on whether an entitlement card should be available to UK citizens in a form which allowed it to be used as a more convenient travel document to Europe than the passport book.

Comment

This would be a useful service for the scheme to provide.

**5.5 Proof of Age**

- 5.5.1 The card could be used for proof of age purposes. As it would be a valuable piece of evidence for identification purposes, parents may be reluctant to provide such a card where their children may visit venues where loss or theft could occur.

Question 14

Views are sought on whether an entitlement card would be an effective proof of age card, whether there should be a minimum age at which entitlement cards should be available and, if so, what that age might be.

Comment

This use of the card is supported. The age would probably need to be 12 years when the main controls start to apply for children needing to prove age without their parents being present.

**5.6 Reducing Crime**

- 5.6.1 The main areas where the card would assist in reducing crime are identity fraud, money laundering and organised crime associated with people trafficking and illegal working.

Question 15

Views are sought on:

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- i. whether an entitlement card scheme would be effective in reducing crimes other than those related to identity fraud.
  - ii. Whether an entitlement card scheme would reduce administrative burdens on the police
  - iii. Whether the police, the intelligence services and other organisations investigating very serious crimes such as HM Customs & Excise should have access to the central register – including biometric information – in closely prescribed circumstances in cases where they are investigating matters of national security or very serious crimes and where those safeguards should be.

Comment

Use of the card to combat organised crime is supported. Adequate safeguards must be in place to give assurances to the public at large.

**5.7 Electoral Registration and Voting**

- 5.7.1 Whilst the card scheme could not substitute for the electoral register, it could assist in keeping it up to date with address changes, etc. It could also be used as proof of identity when voting.

Question 16

Views are invited on whether an entitlement card scheme would benefit the maintenance of the electoral register and facilitate new ways of voting.

Comment

A reliable proof of identity, which could be checked electronically could well assist in devising new methods of voting. The scheme could make it easier to pick up address changes, etc.

**5.8 Emergency Medical Information**

- 5.8.1 The card could hold limited amounts of medical information, such as current medication, allergies and also double as a donor card.

Question 17

Views are sought on:

- i. whether an entitlement card should display emergency medical information and/or act as an organ donor card at the cardholder's consent.

- ii. if so, what sort of emergency medical information would be most useful to display
- iii. given space constraints on the card, whether storing emergency medical information on a smart card chip on an entitlement card would be useful.

Comment

This use of the card is supported, provided there is individual consent to the information being held.

**6 COMBATING IDENTITY FRAUD**

**6.1 General**

6.1.1 There are many instances of identity fraud ranging from use of stolen credit cards to organised crime in respect of human trafficking and drug running. At present combating identity fraud still receives a low priority.

6.1.2 The Home Office is now developing an identity fraud work programme. Some of the areas to be covered are:

- Cross checking information between UK Passport Service and DVLA
- Establishing links between DVLA and credit reference agencies. It is stressed that the Government is not proposing credit worthiness checks
- Improving scrutiny of applications
- Undertaking scoping studies to identify the costs and benefits of developing databases with information that will assist in detecting identity fraud.

Question 18

The Government invites views on the early steps it would take to tackle identity fraud and welcomes expressions of interest from the private sector to collaborate in this work.

Comment

The need to combat identity fraud is accepted.

Some reduction in identity fraud may be achieved if an entitlement card was required to be relinquished by the person registering the death of the cardholder.

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Detailed comments are for other agencies to make.

## **6.2 Consultation on potential Identity Fraud Projects**

6.2.1 The Government is exploring the strengthening of passport checks which are mentioned in Section 7 of this report. This would entail the use of biometric information which could assist with speedier clearance for entry to this and other countries.

### Question 19

Views are invited on whether checks on applications for passports and driving licences should be strengthened to the degree outlined in Section 7, whether or not the Government decided to proceed with an entitlement card scheme based around these documents.

### Comment

The desire to strengthen checks is supported. However, the process needs to be carried out efficiently in order to ensure there is no undue delay in issuing the documents applied for.

### Question 20

If more secure passports and driving licences were issued based around a common identity database shared between the UK Passport Service and the DVLA, the Government invites views on:

- i. whether it should take the necessary legislative powers to allow other departments to access this identity database to allow them to make their own checks
- ii. whether it should allow the private sector to access the identity database provided this was done with the informed consent of subjects.

### Comment

The linking and sharing of information would be useful to prevent identity fraud. With regard to the use by the private sector, the key wording is “informed consent” of the individual.

### Question 21

Views are sought on whether the Government should procure a service from the private sector which checked applications for services against a number of databases used by the credit reference agencies or similar organisations and selected biographical data held by the Government.

### Comment

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Public will need assurances of confidentiality when linking with any commercial databases.

**6.3 A new Criminal Offence of Identity Fraud**

6.3.1 At present the use of false identity is not a criminal offence unless it can be proved that there was some conspiracy to commit a criminal act or fraud.

6.3.2 Under the proposal it would be an offence to assume a false identity. As the offence would not require any criminal intent to be proved, it should be summary only and attract a maximum sentence of six months imprisonment. If criminal intent could be proved, another offence attracting a higher penalty could be used.

Question 22

Views are invited on whether a summary only offence of identity fraud should be created.

Comment

There are a number of people who assume false identities to escape debt, etc. Such an offence would discourage this type of activity.

**7 HOW A SCHEME MIGHT WORK IN PRACTICE**

**7.1 A Scheme based on Passports and Driving Licences**

7.1.1 The UK Passport Agency has recently announced that it is seeking to develop a passport card which would be issued along with the passport book which could simplify travel in Europe and other countries.

7.1.2 The new driving licence now contains photo ID. The Government believes that it would be sensible to build on these two systems in order to provide an entitlement card.

Question 23

Comments are invited on whether any entitlement card scheme should be based around a passport card and photo driving licence (including a non-driving licence/entitlement card). In particular, comments are invited on whether having a family of cards rather than a single card would be helpful or confusing. Suggestions of other models for an entitlement card scheme are also invited.

Comment

As there are already in place systems for the issue of passports and driving licences, the use of these would appear sensible. The more that one card can be used for multiple purposes the better.

## **7.2 Entitlement Cards for Young People**

### Question 24

Views are sought on whether young people should be invited to apply for an entitlement card when they are issued with a National Insurance Number.

### Question 25

The Government is particularly keen to hear young people's views on what features they would like to see on an entitlement card which would make it attractive to them.

### Comment

If a scheme is to be introduced, it is important to engage young people as early as possible. The proposal to invite applications on issue of the National Insurance Number is supported.

## **7.3 Entitlement Cards for Foreign Nationals**

7.3.1 The Government would seek to maintain current systems for issuing work permits, perhaps requiring biometric information.

7.3.2 Once asylum seekers receive permission to reside in the country, they would be issued with an entitlement card.

### Question 26

The Government invites comments on its suggestions for how entitlement cards could be issued to various categories of foreign nationals. The Government is particularly keen to ensure that any entitlement card scheme would not make the UK a less attractive place for foreign nationals to work and settle lawfully and welcomes specific suggestions on how to ensure this.

### Comment

Whilst not commenting on detailed implications, the Council would support the need to deter illegal immigration.



#### **7.4 Confirming Identity**

7.4.1 In confirming identity, checks are made against:

- The passport and driving licence systems
- National Insurance records
- The electoral register
- Registers of births, marriages and deaths

7.4.2 Information on these databases is not always up to date. More up to date information may be available on private sector databases, such as credit checking agencies.

#### Question 27

Views are invited on whether more background biographical checks than currently take place should be conducted before applicants were issued with entitlement cards and whether the checks suggested in this paper are useful, feasible and proportionate.

#### Comment

The issue of confidentiality and accuracy is paramount. Sufficient resources would need to be made available in order to ensure no undue delays in issuing cards.

#### **7.5 Biometric Information**

7.5.1 Biometric information could utilise DNA profile, fingerprints, iris patterns or hand or facial characteristics and features arising from how a person speaks or writes their signature.

7.5.2 This would make applications for additional identities particularly difficult. The Government would need to ensure that the technology:

- Was sufficiently mature and reliable
- Could be implemented at a cost which justified the benefits
- Was acceptable to members of the public.

Question 28

- i. comments are invited on whether an entitlement card scheme should include the recording of biometric information with particular regard to the cost, feasibility and acceptability of the three most likely options (fingerprints, iris patterns and facial recognition).
- ii. The Government would like to hear the views of potential partners on how a nationwide network of easily accessible biometric recording devices could be established and operated, how people who are not mobile or who live in sparsely populated areas could be served and what other value added services potential partners might offer.

Comment

The principle of utilising biometric information is supported. No comments are made on the detail.

**7.6 What Sort of Card could an Entitlement Card be?**

- 7.6.1 Simple plastic cards could be issued which would hold limited information and could last 10 years.
- 7.6.2 If, however, a more sophisticated card involving multiple use is required, smart card technology would be needed. This is more costly and the cards would need replacing at more regular intervals.

Question 29

Views are sought on what benefits issuing an entitlement card as a smart card would bring to cardholders, whether the use of a smart card chip could be shared by a number of organisations effectively and whether any potential partners would be interested in managing the sharing of a chip on behalf of the Government.

**7.7 How a Card might be used**

- 7.7.1 The consultation document examines the various methods of using the card, these being:-
  - Simple visual check
  - Checking by telephone
  - Checking card on line
  - Using card information to validate a form

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- Validating a card by checking secret information known only to cardholder
  - Using secret cardholder information to validate online transactions
  - Offline biometric check
  - Online biometric check.

Question 30

Views are invited on the different ways in which a card system could be used to help validate face-to-face, post, telephone and online transaction. In particular, views are sought:-

- i. from service providers on whether an authentication service based on a card scheme would be useful
- ii. from potential partners who might provide the authentication service on a commercial basis to help offset some of the costs of the scheme to Government
- iii. on the longer term use of biometric information should this form part of any service.

Question 31

Views are invited on whether it would be feasible in business and technical terms for an entitlement card to include a digital certificate and what the implications for the cost of the card would be.

Comment

At present, the main uses to Rochford would be Benefits and electoral registration. No comments are, therefore, made on the detail contained in this section.

**7.8 Information which would be held on a Card and the Supporting Database (Central Register)**

7.8.1 The central register would need to hold:

- The personal information necessary to administer an effective scheme, including a unique personal number
- Cross references to other personal identifiers used in Government such as the National Insurance Number, passport number and driver number

- Any secret password, pass-phrase or PIN used to help authenticate transactions

7.8.2 The central register could then be linked to other databases, eg., driver records, where additional information is held.

### Question 32

Views are welcomed on what information should be held in any central register which might be used to administer a card scheme and what information should be displayed or stored on the card.

### Comment

No views expressed on detail. In principle only minimum amount of information necessary for use should be included on the card. It would be preferable if additional information could be at the discretion of the cardholder.

## **7.9 Those who might find it difficult to participate in a Card Scheme**

7.9.1 There are groups of people who would find it difficult to participate in the scheme, these being:

- People who are housebound or not very mobile who might find it difficult to “go somewhere” to have their biometric information recorded if this was necessary for the scheme
- People living in sparsely populated areas who might also have difficulty in travelling to a place where their biometric information could be recorded
- People who were homeless or who had very itinerant lifestyles who might find it difficult to register an address where cards could be sent
- People who were mentally ill or incapacitated in some way and therefore might not be able to give their informed consent to use information held about them on the central registers or even to understand the purpose of the scheme
- People who were fleeing abusive relationships and might want to live under another identity.

### Question 33

The Government is very keen to consider suggestions from people whose circumstances might make it difficult for them to participate in a

scheme and from organisations representing them on how a scheme can be designed to accommodate their needs.

Comment

The Government will need to consider applying appropriate resources in order to reach the types of groups set out above.

**7.10 Costs and Timescales**

7.10.1 The timescales and costs set out in the document are only illustrative and need to be regarded with extreme caution.

7.10.2 The timescale for the project is 13 years, broken down as follows:

- 3 years IT and infrastructure installed
- 6 years scheme rolled out to majority of population
- 4 years “steady state” operation.

By the end of the 13-year period it is estimated that 67.5million people will be covered by the scheme.

7.10.3 The costs of the scheme are set out below:

- Setup - £136million
- Operating costs of infrastructure - £332million over 13 years
- Additional staffing - £62million over 13 years
- Card processing - £608million
- Card costs:

£1,318million – plain plastic

£1,640million – simple smartcards

£3,145million – more sophisticated smartcards

7.10.4 Cost recovery is suggested as follows:

Passport/Driving Licence Fee Uplift	Non-driving Licence/Entitlement Card Fee	Card Type
£10	£15	Plain plastic
£14	£5	Plain plastic
£15	£0 for 10 million people on lowest incomes, £5 for rest.	Plain plastic
£14	£15	Simple smartcard
£18	£5	Simple smartcard
£19	£0 for 10 million people on lowest incomes, £5 for rest.	Simple smartcard

7.10.5 The scheme could reduce employer's costs in protecting against employing illegal workers.

Question 34

Comments are invited on the indicative costs outlined in this section, in particular on the compliance costs which employers might incur in using a card to check the employment status of new employees.

Comment

Cannot comment on the costs outlined. Cost to the authority of verifying status of employees is not expected to change.

**8 DATA PROTECTION AND PRIVACY ISSUES**

8.1 The scheme will need to comply with the Data Protection Act 1998. This will mean abiding by the eight principles of the Act, which are:

- Personal data shall be processed fairly and lawfully and in accordance with certain prescribed conditions
- Personal data shall be obtained only for one or more specified and lawful purposes, and shall not be further processed in any manner incompatible with that purpose or those purposes
- Personal data shall be adequate, relevant and not excessive in relation to the purpose or purposes for which they are processed

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- Personal data shall be accurate and, where necessary, kept up to date
  - Personal data processed for any purpose shall not be kept for longer than is necessary for that or those purpose(s)
  - Personal data shall be processed in accordance with the rights of data subjects under the Act
  - Appropriate technical and organisational measures shall be taken against unauthorised or unlawful processing of personal data and against accidental loss or destruction or, or damage to, personal data
  - Personal data shall not be transferred to a country or territory outside the European Economic Area unless that country or territory ensures an adequate level of protection for the rights and freedoms of data subjects in relation to the processing of personal data.

Question 35

Views are invited on what specific measures should be included in any entitlement card scheme to ensure compatibility with the principles of the Data Protection Act 1998.

Comment

No comments are made in respect of this element of the scheme.

**9 CONCLUSION**

- 9.1 As may be seen from the above, the consultation is detailed and wide-ranging. The thrust of the document is very much on the basis that the Government wishes to introduce the universal entitlement card scheme.
- 9.2 If Members agree to the universal scheme in principle then the majority of the comments suggested follow on. If, however, there is no support for the universal scheme, the other comments will be amended or deleted accordingly.

**10 RESOURCE IMPLICATIONS**

- 10.1 None at present.

**11 RECOMMENDED**

It is proposed that this Committee **RESOLVES**:

To respond to the consultation document based upon the comments set out in the report and any other views that Members may wish to include. (CD(F&ES))

Roger Crofts

Corporate Director (Finance and External Services)

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**Background Papers**

None.

For further information please contact Roger Crofts on:-

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