

THE EUROPEAN
INFORMATION
SOCIETY GROUP

EURIM



**Draft summary report of the EURIM Identity Cards Bill Subgroup meeting,
1000 – 1230 hours, 6 October 2005, at IBM, South Bank, London**

Chairman: Chris Francis (IBM) Rapporteur: Dave Wright (EURIM)

SUMMARY OF MAIN POINTS

1. New information from Home Office suggests that the list of issues in the EURIM draft paper on the ID Cards Bill needs updating to include requirements for validation, real testing environments and issues of how to deal with the mixed economy.
2. A large amount of work is being undertaken in preparation for procurement, with significant resources (involving some 170 people) employed in translating the legislative framework into the requirements of the market. The ID Cards Scheme is intimately linked to the legislation, and procurement has to be measured, because no money can be spent on delivering the Scheme (beyond publication of prior information notices) until the Bill receives Royal Assent.
3. The Bill is expected to pass rapidly through the Report and 3rd Reading in the Commons after 10 October, passing then to the House of Lords where there is no Government majority and no timetable for consideration. However, it is expected that the Bill will be returned to the Commons some time in the 1st quarter of 2006.
4. Issuing the first ID cards is directly linked to the Bill receiving Royal Assent. If this is in the 1st quarter of 2006, the first cards should start to be issued towards the end of 2008. This will be a gradual process, ramping up issuing capacity over 18 months to full capacity (5-7 million cards/year) by ~2010. The main focus in the early stages will be on enrolment to reach a critical mass of registered people so that verification processes can be introduced.
5. Where a major supplier is providing IT services to Government departments, there may well be a case in the longer term for linking that supplier to elements of the ID cards scheme if it has developed a common infrastructure to service the needs of a number of customers.
6. Benefits are expected to increase incrementally and proportionately as the Scheme is rolled out. A generic means of establishing online identity at the chip and PIN level, or more securely by a biometric, is possible. Once a bank has assured the identity of the individual logging on, services can be offered through the banking websites. Discussions are continuing with APACS and BBA on EMV-compliance for cards, the issuing of certificates and remote authentication (including challenge and response facilities).
7. Government is interested in raising the level of business it conducts online, and the high level of security associated with issuing the ID card could facilitate this. Research has indicated that organisations see the greatest benefits in having a detailed identity check, including biometrics, for first-time customers; lower levels of checks would then suffice for future transactions since the level of risk is much reduced.
8. The processing time for CRB checks could be reduced for those with clean records from 4 weeks to 3 days, with a huge increase in quality and assurance. Although current plans do not require CRB checks through an ID card, a public debate on this may be held.
9. A briefing on personal identity technologies for MPs by suppliers while the Identity Cards Bill is passing through Parliament is planned and one for Peers should be considered as well.

1. Introduction

1.1 One of the tasks of the EURIM ID Cards Bill Subgroup is to seek clarification on the legislative programme of ID Cards Bill as it passes through Parliament, up to the implementation of an ID card system. A short paper (currently one side of A4), has been drafted but as the thinking around the Bill continues to evolve, it is important to ensure that the work of the Subgroup is refreshed.

1.2 New information from Home Office has suggested that the list of issues on the draft paper need updating to include e.g. requirements for validation and real testing environments, and issues of how to deal with the mixed economy should also be considered. Home Office has kindly agreed to bring us up to date on their current thinking.

2. Implementation of the ID Cards Bill

2.1 Headline media coverage on the politics surrounding the ID Cards Bill contrasts with the large amount of work being undertaken in preparation for procurement. Recognizing the anxiety and impatience among some potential suppliers to the scheme for more information, it was stated that significant resources (involving some 170 people) are employed in translating the legislative framework into the requirements of the market, compared with 4 people working on the Bill.

2.2 The procurement process has to be measured because the project is intimately linked to legislation, and under the procurement conventions, no money can be spent on delivering the Scheme (beyond publication of prior information notices) until the Bill receives Royal Assent.

2.3 Much thought and work is being devoted to the structures for long and short-term Scheme delivery. This is related to a ruthless analysis of the programme of work undertaken by the UKPS, and also of work UKPS would have continued had there been no plans to introduce ID cards. Alan Barnish has been brought in as a transition executive to oversee and align the ID cards programme and the UKPS work up to ~2006. This will provide experience of new technologies and procedures, and cover an important period of change for UKPS as it starts to deal with more customers face to face.

2.4 Project directors are being assembled for delivery of the main components of the ID Cards Scheme. Projects started under UKPS are being transferred where they constitute possible precursors for elements of the Scheme, e.g. a small-scale pilot on identity verification is being tested as is a call-centre-based service to validate information on passports for financial institutions.

2.5 Stephen Harrison is now responsible for running policy operations for both UKPS and the ID Cards Programme (as part of a joined-up approach) with a view to establishing a new executive agency in 2006 in preparation for Royal Assent. Thus organizational changes are already being made in preparation for delivering the Scheme.

Progress of ID Cards Bill

2.6 Initiation of projects is contingent on the Bill receiving Royal Assent. After much Parliamentary scrutiny and some amendment, the Bill completed Committee stage in the Commons. Thus the fee-setting powers in the Bill are widely drafted for maximum flexibility within Parliamentary and Treasury rules, but the legislation will now allow thorough Parliamentary debate of the first fees order.

2.7 The Bill will pass next to the Report stage and 3rd Reading in the Commons, expected to be very soon after Parliament returns on 10 October, passing then to the House of Lords. Here the Government does not have a majority, and there is no timetable for consideration of the Bill. Although a precise date for passage cannot be predicted, it is expected that the Bill will be returned to the Commons some time in the 1st quarter of 2006.

2.8 Two important developments on passports are:

- the introduction in 2006 of '1st-generation' biometric passports, which will incorporate a chip (more secure than the machine-readable end page). The chip will store passport data and a digital photograph as a 'facial biometric' which should make it less prone to forgery by photo substitution;
- a requirement for a personal visit for 1st-time passport applicants, to counter fraud. This will require an expansion of the UKPS office network from 7 offices to 69 (currently subject to a procurement exercise). These will be secure and dedicated offices (though these may include separate facilities in premises that already have the necessary level of security).

2.9 Under EU regulations, there will be a requirement to issue biometric identification documents (e.g. biometric residence permits, biometric visas) to 3rd-country foreign nationals. These are due for introduction in 2007-8, but some biometric visas have already been issued and have provided useful information e.g. on removed failed asylum seekers attempting to re-enter the UK, identified by testing fingerprints against a database.

2.10 Issuing the first ID cards is directly linked to when the Bill receives Royal Assent. If this is in the 1st quarter of 2006, the first cards should start to be issued towards the end of 2008. This will be a gradual process, ramping up issuing capacity over 18 months to full capacity (5-7 million cards/year) by ~2010.

2.11 The main focus in the early stages will be on enrolment to reach a critical mass of registered people so that verification processes can be introduced.

Benefits

2.12 Much research has been published on the HO website, with a detailed analysis of benefits across the public, private and voluntary sectors (e.g. related to costs, fraud), although many of these are difficult to quantify (e.g. preventing paedophiles from working in schools). Faster interaction times give better service delivery to the citizen. Total financial benefits are estimated at £650 million - £1060 million per annum accruing to the public and private sectors, and to the citizen, compared with an estimated £500 million cost of running the scheme, once critical mass has been achieved.

2.13 An exercise on what people thought would be the benefits of the Scheme yielded results that were presented graphically, with relative importance plotted against credibility. Results were divided into 3 tiers, in which the highest (most important, most credible), Tier 1, shows expected Scheme benefits around positions of trust related to CRB checks, identity fraud and identity theft. Tier 2 relates to those areas the sample set considered the Scheme as less likely to be helpful with, and therefore any benefits less important and less believable. People thought that some of these areas would require additional Government action, e.g. stricter enforcement of immigration controls. Tier 3 includes the ID card acting as a document valid for travel in the EU. Most people in Europe travel using their ID card, so this scores highly on credibility, but in the UK where 80% of the population travel with a passport, the EU Travel benefit does not rank as highly.

2.14 Three user groups are involved in the ID Cards Scheme, one dealing with Home Office issues such as policing and immigration, and a wider public sector user group for the key departments. A private sector users group (not suppliers) chaired by David Lacey (Royal Mail) involves banks, pharmaceutical companies, airlines and makes use of their expertise, e.g. on online authentication and general security requirements. Thus the finance industry has an appetite for reducing losses due to fraud and other criminal activity, while expertise on employee identity checks is available from Royal Mail, as an employer of large numbers of people as casual labour over the Christmas period, without currently being able to check easily that the person reporting for work is the same person originally offered the job. This allows benefits associated with e.g. reduced recruitment and staffing set-up costs, faster CRB checks etc.

2.15 Question: which of the above user group categories would a supplier to another Government department that delivers a public service fit?

The primary relationship for HO was with the department. A department that has outsourced some element of their service provision would have to be considered as such, but it is for that department to inform HO that it sees a role for ID cards in a particular part of its business.

2.16 A major conference next week with DWP, which has its own ID card project team, will focus on business opportunities for ID cards within DWP. HO relies on DWP having a dialogue with their suppliers, but where a major supplier is providing IT services to a number of Government departments, there may well be a case in the longer term for linking that supplier to elements of the ID cards scheme if it has developed a common infrastructure to service the needs of a number of customers.

2.17 HO published a prior information notice (PIN) to the supplier community in August, and further market-sounding exercise will take place for the types of services being sought, though this is proceeding more slowly than anticipated. There are tricky legal and handling issues constraining the degree of engagement and imposing caution on HO.

2.18 Question: please comment on the role of the Public Sector as employer and potential user of ID cards.

Schools (as an example) may require employee CRB checks. HO was using its HR department as a test bed for identity checks and security clearances etc. Although an ID card is not necessary for employment, demand for the Scheme will have to be managed and paced.

2.19 Question: does possession of an ID card make a CRB check unnecessary, and if not, does this mean that savings will be illusory for a lot of people?

If someone happens to have an ID card, the CRB check would be both quicker and more accurate. Although it is not necessary to have an ID card for a CRB check, there may be grounds for debate on this, given the improved quality of the outcome when the holder had an ID card.

Question: will possession of an ID card make a CRB check cheaper? It will be quicker!

Online applications

2.20 A scenario developed with the private sector user group was presented, whereby interactions between an individual and a bank wishing to engage in Internet banking are facilitated, and where an identity check is required by the relying party (the bank). A secure interaction can be facilitated through a hand-held key-pad device that will accept a smart card. Because the card is uniquely associated with an individual, the use of a biometric or PIN to establish the card-owners' identity can permit transactions.

2.21 Sitting behind the log-on to the bank's website is an interaction between the bank and the Identity Card Scheme, by which information can be obtained from the identity services. Once an individual has authenticated his/her card locally to a card reader (available cheaply) using a one-time number, inputting a national ID number or some element of identity associated with the ID card online leads to a challenge and response process. This will generate a one-time unique transaction number (UTN) and the ID Card Scheme, because it has the corresponding information in the individual's ID record, will know what that number should be. The challenge and response process enables verification that the user has been issued with that ID card.

2.22 Such a generic means of establishing online identity can be offered at the chip and PIN level, or more securely (because someone may know your PIN), by a biometric (e.g. thumb print). Once a bank has assured the identity of the individual logging on, services can be offered through the banking websites. It is not necessary for the individual to invest in expensive card-reading technology, and because the quality of identity checks associated with ID card issue will provide much greater assurance, it could be argued that there is a case for the banks subsidising the card-readers anyway.

2.23 Further research had indicated that organisations see the greatest benefits in having a detailed identity check, including biometrics, for first-time customers; lower levels of checks would then suffice for future transactions, since the level of risk would be much reduced. Government is interested in raising the level of business it conducts online, and the high level of security associated with issuing the ID card could facilitate a much greater range of online business, thus increasing efficiency and service delivery across Government. An independent assurance panel, chaired by the former CEO of First Direct bank, has been set up.

2.24 Question: is it envisaged that verification will be against the NIR for every identity check, or is the bank able to verify against its own records?

This is a matter for further discussion with the banks; however HO would see checks against the NIR as important in tracking the use of lost and stolen cards, changes in circumstances etc. The Bill requires some form of audit log, but not necessarily for every transaction. The bank may have some other form of identity checking.

2.25 Access to the NIR means simply the provision of a verification service. It may confirm information that is printed on the card, or additional data like address, but access to a core personal record is precluded.

2.26 Question: what are the financial objectives of the Scheme?

The cost of the Scheme should be met by existing departmental budgets and charging, but making an overall profit is prohibited i.e. the Scheme should not raise net revenue for the Exchequer to spend on other public services.

Employment scenario

2.27 Discussions had taken place with employers' organisations as to how an SME employing casual labour can check an individual's right to work. A scenario might involve pre-registering a mobile 'phone and using text messages to key in an identity registration number, then undertaking a challenge and response process in front of the employer to ensure some form of authorisation. The Scheme will reply with a text message. The ID card will carry any restrictions on employment, but there is insufficient space to list all the conditions associated e.g. with a student visa, and so information on restrictions held in the NIR can be provided, and the request recorded to provide a defence for the employer that they have complied with immigration law. All foreign nationals will soon need to have a biometric visa to work in the UK.

2.28 There are 2 levels of efficiency gains for a CRB check:

- moving the CRB check towards electronic applications. At present, there is a long list of possible combinations of documents that can be assembled as proof of identity, with much potential for error. Replacing documentation with an ID card would facilitate a much quicker and more efficient process.
- Any documents supporting a false identity at registration currently provide the only evidence for identity checks, and make it possible for people with a criminal record to fool the system. However, having established a person's identity by ID card at the place of employment, it would theoretically be possible to take the fingerprints of that person recorded when they registered for an ID card and send to the PNC for checking against their records.

It is estimated that if such a system were in place, the processing time could be reduced for those with clean records from 4 weeks to 3 days, with a huge increase in quality and assurance. The public interest therefore may be best served by requiring CRB checks through an ID card, but this is not current policy and a public debate may be held. Benefits are expected to increase incrementally and proportionately as the Scheme is rolled out.

User organisation accreditation

2.29 The Bill provides for an accreditation scheme, and HO is consulting with the private sector user group and public sector organisations, with the aim of achieving a reasonable level of assurance that an organisation is fit to interact with the Scheme. HO therefore envisages a scheme whereby approval of applications for accreditation is related to evidence of how an organization has complied with other types of regulatory environments.

2.30 An inspection process is not proposed, but there will be a pre-authorisation process to filter organisations considered unsuitable for interacting with the Scheme. There may be issues around identifying the person responsible for triggering a transaction, recording audit trails and maintaining data, but these processes are expected to be in place in organisations applying for accreditation. The National Identity Scheme Commissioner will provide independent oversight of accredited organizations.

2.31 Question: would it be policy to ensure that there are no barriers to organisations serving Scheme extensions, e.g. via Companies House?

There is a balance to be drawn between simple registration of companies with minimal details and providing flexibility in the economy. Companies House is moving to a more online situation, and could cooperate on fraud and identity work with HO. Provisions have been drafted in the legislation that will allow identity checks to be made for various public services, and company registration can be classed as a public service under the Bill. However, there are no plans yet in this area.

2.32 Question: has there had been any discussion on the interaction between the ID cards Scheme and the Government Gateway?

Discussions involving ODPM colleagues were taking place, but entitlement information is not stored on the ID card system, thus limiting the value an intermediary like GG could add. There is also a limit to

the level of authentication GG can allow, because the proof of identity associated with logging on doesn't attain the level of security demanded for ID cards.

2.33 The more secure level of t-Scheme transactions involves physical proof of identity (e.g. a passport check), which defeats the object of online checks. However, if the public at large is required to use this level of security for the one-off purpose of having an ID card for 10 years, then the means exist for high level verification of identity.

2.34 A tight level of coupling is intended between the NIR number and the NINO, so that when a person enrolls on the Scheme, they will be checked against the NINO database. However, the same degree of correspondence will not apply on the Scheme to other numbers, so there will not be a large cross-referencing mesh between the NIR number and other numbers assigned to individuals by other departments or organizations. However, it is expected that the public services will in their own systems cross-reference all the numbers used for identifying an individual eligible for their service to enhance user service levels.

2.35 It was suggested that the ID Cards Scheme could be considered as a shared-service infrastructure project, and as such, standards would be set and adopted either consciously or by default - has any thought been given to the implications of this.

Discussions are underway to ensure that information to be stored on the NIR is held in a standard format, with standard forms of response. HO would consult on technical standards (including for ID cards), and there is a great deal of co-operation with European colleagues to ensure that cards conform to some basic level of compatibility. However, HO was unaware of the existence of standards governing online identity card checks.

2.36 The Bill will in theory allow individuals to register >1 address for legitimate reasons. It is not intended to store every possible address, and there will be a practical limit of 2 in most cases. However, the flexibility in the Bill will allow the Scheme to store as many addresses as are necessary. There is a huge potential matrix of the types of checks and how those checks are initiated or validated (e.g. by PIN, biometric etc.). Work has been done to limit this

2.37 The Scheme will offer 4 types of service offered beyond a visual card check:

- Identification services – 'dead or dying bodies'. The infrastructure cost to perform these checks widely is seen as prohibitive, and will be offered only in certain circumstances (e.g. emergency and security services).
- Information provision. A heavily regulated service offered to e.g. police and security services where a sophisticated analysis of information may be required.
- Card validation. Where an ID card is swiped by a reader, with no PIN or biometric involved, this service affirms that a card has been issued, and has not been reported lost or stolen. There is no information on whether the card holder is the card owner. This may be of benefit in simple transactions.
- Identity verification. Where an ID card is swiped by a reader, with supporting information (e.g. PIN or biometric), this service will confirm whether or not the card is valid (for DoB, address, nationality, employment status etc.).

A variant of this service is where a card is presented (with PIN/biometric) and the card holder is providing additional information not held on the card but which is held on the NIR (e.g. address). The system will confirm or negate these details only.

Another variant of this service is where information is given out from the NIR, e.g. employment checks. Thus where an individual has restricted employment rights, the NIR check will confirm that e.g. an individual is visiting on a student visa.

In addition to this is the issue of the card reader infrastructure, and how secure the checks are.

2.38 Question: besides the possibility for CRB checks, might there be a requirement to hold an ID card to access a service?

Three sections in the Bill define the overall legal framework. Clause 14 checks provide for choice and consent, and protections for people not owning or wishing to use an ID card. There is no automatic obligation in the Bill to require an identity card for access to public services, but the Bill does provide a mechanism for such a requirement (e.g. potentially in the case of firearms certificate approval). In this case, an order would have to be laid before and approved by Parliament (or the devolved administration).

2.39 Question: can HO guarantee the rapid updating of personal information held on the NIR where circumstances change (e.g. change of address).

Where this is straightforward, the individual would be able to do this themselves; more fundamental changes such as a name change would require a visit to an enrolment centre. Employment relates to the immigration system, and once a change of status is awarded by IND, this information should be ported electronically to the NIR.

2.40 Some benefits formerly considered under the Citizens Information Project could be delivered by widening slightly the scope of the Identity Cards Scheme, although not all the CIP agenda would be adopted. Automatic updates from the NIR to Government departments are possible, but the issue of consent is a concern that needs to be resolved before a service is offered.

2.41 Information was requested about the routines that would be in place for handling lost and stolen ID cards, including where the owner had no driving licence or passport, or was elderly or disabled, the volumes anticipated and who was being consulted (e.g. Citizen's Advice Bureaux, Age Concern etc.).

The Scheme had to comply with the Disability Discrimination Act. A biometric trial of customer experience was held with disabled groups involving a large sample with a range of disabilities to ensure adequate input and compliance in the design of the enrolment process. However, information about disability would not be held on the NIR.

Assumptions have been made on rates of lost and stolen cards (based on data for lost passports, credit cards etc.). Once reported as lost or stolen, the system should switch the card off, and alerts made when attempts are made to use the card. A card is not necessary to establish identity, and known facts about an individual can be used instead. Work is being done on the business processes around lost and stolen cards, but colleagues at HO will be asked for more information on who they were consulting for advice on testing the routines expected to be in place.

2.42 Question: is it intended that the ID card would provide proof of address.

The card would verify the address given at the time of registration (checks are performed). If an individual updated their address on the NIR, checks would be necessary to validate the identity of the person doing the updating, but the new address would then be taken on trust.

Technical requirements

2.43 An illustrative slide of HO's conceptual view of the key components of the Scheme was presented. Obtaining fees upfront is ideal for ensuring people keep appointments. The key part is the initial, appointments-based processing centre, with an ability to log applicants. This envisages web-based and telephone-based channels etc. and quality standards around the enrolment process, using a secure networking facility which links to the NIR. Call centre operations are envisaged to support the verification service, with an outsourced card issue centre. The required levels of standards and service would be set during the procurement process, with associated cost estimates.

2.44 The ID cards themselves are still the subject of much work, especially chip technology. The present assumption is to have ICAO functionality for the chip, without which the card would not be valid for international travel. There are standards in place arising from ICAO work on passports, and HO is working with colleagues in Europe to achieve a common implementation of standards for travel documents. There is no legal basis within the EU frameworks for setting mandatory standards for ID cards, so this is done at an inter-governmental, non-binding level.

2.45 Discussions are continuing with APACS and BBA on whether the cards should be EMV-compliant, which might offer a simple card validation method over the chip and PIN network (comprising 800,000 readers). Talks also include the issue of certificates and remote authentication

(challenge and response facilities). The card will probably store some biometric information (probably 2 fingerprints), to comply with ICAO standards. However, online validation of the card for public services will not involve use of the ICAO data (which will be restricted to travel purposes, e.g. border control). Most biometric verification would be against data held on the NIR, not the chip.

2.46 The biometrics themselves represent the biggest area of technical risk (though this may be exaggerated, given the performance of comparable schemes), and assessments will be made against standards of performance for both validation of identities and one-to-many matching in the background of the enrolment process. Travel documents will not be issued to non-UK citizens; they will use a residence permit which will act as an ID card for access to public services.

2.47 The planning assumption is for a 10-year re-registration cycle, as for a passport, reached after discussions with card-manufacturing companies (for contactless cards). It is uncertain whether the EMV-compliant chip and PIN system will be contactless by the time ID cards are introduced. There are provisions in the Bill to accept valid reasons for the absence of a particular biometric (e.g. could not give a fingerprint) and for 'false negatives' when checking biometric data against that held on the NIR, e.g. changes in a person's physical appearance or iris properties.

3. EURIM request for supplier presentation

3.1 The EURIM Chair and Vice-Chair, Margaret Moran MP and Ian Taylor MBE MP, have requested a presentation on personal identity technologies to MPs by suppliers, with the intention that the briefing takes place while the Identity Cards Bill is passing through Parliament. The EURIM request overlaps with an initiative from the industry to correct certain misconceptions on what can be done, and the hope is to combine the two into a joint exercise.

3.2 A representative of the industry group concerned said that discussions within the group were needed, but there is an assumption that such a joint exercise would fulfil the aims of both parties. However, whilst most suppliers would probably be very happy to address MPs, it was considered by some that a public approach would be less informative than private meetings because of proprietary concerns.

3.3 The request for a common briefing was intended to avoid effort involved with private and separate lobbying by individual companies but a shared briefing might be followed up by private meetings. The procurement process would only commence in earnest in 2006; what MPs want to know is what has been delivered, what is do-able, what is not and how technologies are changing, if at all. However, it was also known that HO was already encouraging the formation of alliances in the industry

3.4 One member said he would be delighted to do a private briefing for any MP who wants the answers, because a shared meeting would be anodyne.

3.5 Were the right questions were being asked of the supplier groups? Apart from a better-informed group of 10-20 interested MPs, most would only take a serious interest when the issue was before the House; this is the time when they are most amenable to receiving information. Those MPs who understand the issues are probably already being briefed privately. The need is to reach those who are not already interested and informed. There is therefore probably a need for both types of briefing.

3.6 It was agreed that it may be useful to provide a briefing for interested Select Committee MPs, who were used to meeting together and taking evidence. The briefing material should also be forwarded to the House of Commons Library, which was a major source of information for MPs.

3.7 The next stage in the Bill's progress will be in the House of Lords, where there are likely to be civil liberty and credibility concerns – it might be useful to have a briefing by the industry to interested peers. LE agreed to make enquiries to gauge if this would be a valid exercise.