

TITLE OF PROJECT

Entitlement Cards

OGC Gateway review: 0 – Strategic Assessment

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Senior Responsible Owner: <name redacted>

Review Date: 23rd, 24th and 25th June 2003

Review team:

<Names redacted>



Office of Government Commerce

Entitlement Cards

OGC 412

Review Date: 23rd, 24th and 25th June 2003

Background

From July 2002 to January 2003 the Home Office carried out a widespread consultation on whether it should introduce entitlement cards, which some people call identity cards. A universal entitlement card scheme would:

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

By giving a clear indication that the holder of an entitlement card is lawfully resident in the UK, a card scheme could be a powerful weapon in combating illegal immigration. However, the potential benefits of an entitlement card scheme go much wider than an immigration control measure. It could provide a more efficient basis for administering public services by avoiding the need for people to provide the same personal information time and again to a range of public services. There would also be savings for service providers as there would be a single definitive source of information about people's identity and possibly a unique personal number for everyone registered on the system.

A card scheme could also help prevent people becoming victims of identity theft and identity fraud. Identity fraud is estimated to cost the economy at least £1.3 billion every year and the level is rising. A card could also allow people to travel around Europe without the need to carry a passport book and might be useful to young people to help prove their age when purchasing age-restricted goods and services.

The consultation paper set out a suggested scheme in which the photocard driving licence and the recently announced passport card would both be equally acceptable forms of entitlement card. It explained that it would not be possible to combine the exact format of both cards into one because of the specific requirements of the respective EU and international standards with which each card must comply. However, as the format of the UK passport card is yet to be decided, it will be designed to accord as closely as possible with the format and layout of a photocard driving licence. Both would therefore fulfil the functions of an entitlement card. As not everyone in the country qualifies for a driving licence or a passport these people will be offered a card at a lower cost than a passport or a driving licence which would

look like a photocard driving licence minus the information on what vehicles the holder is entitled to drive.

In order to ensure that a card scheme would provide a greater level of protection against identity fraud, it proposed that the checks currently undertaken for driving licence and passport applications should be strengthened. Another option, which the Government would like to explore, is the recording of biometric information as part of a card scheme. This could take the form of recording a fingerprint scan or the image of a person's iris (the coloured ring around the eye) as well as a digital photograph, which is already taken for passports and driving licences.

This consultation exercise is now complete and the Department is about to seek policy guidance on whether to proceed with an Entitlement/Identity Card scheme. We understand that the Home Secretary now sees the introduction of Entitlement/Identity cards as essential to:

- a. reduce identity fraud and
- b. improve our immigration controls

No Gateway reviews have been carried out on the scheme before, but an assessment of its status had just been carried out on behalf of the Department by independent consultants. The report from this assessment was made available and it has been taken into account by the Gateway review team.

Purpose and conduct of the review

The purpose of Gateway 0 reviews is to:

- Review the business need and identify whether it requires a project or a programme of projects.
- Ensure that the project or programme is supported by users and stakeholders and contributes to the organisation's business strategy.
- Review the arrangements for leading and managing the project or programme (and its individual projects).
- Review the arrangements for identifying and managing the main project or programme risks (and in the case of a programme the individual project risks), including external risks such as changing business priorities.
- Check that financial provision has been made for the project or programme and that plans for the work to be done through to business case justification (Gateway Review 1) for each procurement project are realistic, properly resourced and authorised. This should include the individual projects within a programme.

The Gateway 0 review was carried out from 23rd to 25th June 2003 mainly at Allington Towers, London SW1E 5EB.

The team consisted of:

<Names redacted>

22 people were interviewed or spoken to on the telephone. They are listed at the Appendix.

The Review Team would like to acknowledge the help and openness of all those who contributed to the review. Their candid discussion of the status of the programme and of the issues to be overcome made a significant contribution to the outcome of this review.

Conclusion

The Gate 0 review has been undertaken following closely the completion of an extensive consultation exercise aimed at judging public and concerned organisation's reaction to Entitlement Cards. In parallel a number of separate studies have considered the possible costs of such a scheme and identified the likely risks that might be encountered.

The Government has consulted on the scheme but has not yet announced its response to the consultation or its decision on whether the scheme should proceed. Not unexpectedly therefore few of the preconditions required for Gate 0 have been fulfilled and the current status of the Entitlement Cards scheme is confirmed as RED.

This outcome should not be viewed as a criticism of the conduct of the policy work or of the efforts of the small Entitlement Card team. In fact we concluded that <name redacted> and his team have done a remarkable job with limited resources in exploring many aspects of this complex scheme.

The review team did not consider that the studies of costs and risks that have been completed are sufficiently robust to support any firm conclusions as to the outturn costs or delivery timetable.

However, such an early Gateway review has provided an opportunity for an experienced external review team to offer views on how the implementation of an Entitlement Card scheme should be progressed in the event that Ministers decide in principle to proceed.

It was stressed on many occasions and at all levels that certainty of success on a predicted timescale was of paramount importance. In order to achieve this key success factor the review team concluded that the following simple principles must underpin the management arrangements:

- The scope and objectives of an Entitlement Card scheme must be precisely defined at a very early stage and all opportunities and desires to change or grow these requirements must be resisted.
- The implementation risks must be minimised through the optimum use of existing capabilities, skills and expertise.
- Entitlement Cards should represent a programme of projects, as the lowest risk implementation strategy will involve building on existing operations and future initiatives in the DVLA, PS, IND and CIP and possibly other areas as well.
- The entitlement Card programme must be managed by a single empowered organisation.

The latter principle is potentially the most challenging as the envisaged building block projects reside in different Departments, have different maturity

states and are proceeding on different timescales. Creating a single coherent programme with the required robust system architecture that delivers on time in these circumstances will require a dynamic and effective management arrangement.

The review team did not feel that the traditional public sector approach to such a situation based on layered consensus management through a multi-tiered committee structure could ever provide the high level of delivery confidence sought by Ministers. The review team have consequently drawn up recommendations that they believe will provide a pragmatic route map to the creation of a single empowered management organisation that would take responsibility for system architecture and be empowered with sufficient authority over the building block projects to ensure that the Entitlement Card programme delivers on time.

To be fully effective such an empowered single organisation must be launched at a very early stage. Practical, 'joined up' implementation across Departments will be essential. This principle must be endorsed by Ministers at the same time as the key policy decisions are addressed.

Entitlement cards should be reviewed again at gate 0 when the preconditions sought for this gate have been satisfied. Achieving this milestone should not be an objective in its own right but should be seen as a health check at a key interim point during programme implementation.

Summary of recommendations

The following recommendations are made by this report;

Critical before proceeding

Arrangements for strong programme direction and management should be put in place as soon as possible after Ministers have announced a decision to proceed with the scheme.

A senior Ministerial Committee chaired by the Home Secretary should exercise Ministerial oversight of the scheme.

The Home Office should lead the Programme but with committed support from the other involved Departments and Agencies.

Implementation issues should be presented to Ministers and 'joined up' implementation should be endorsed by Ministers at the same time that policy decisions are addressed

A "permanent" SRO should preferably be appointed as soon as practicable at a senior level (preferably Grade 1).

The SRO should Chair a Programme Board consisting of the Heads of the other main Agencies and Units concerned in delivering the programme (UK Passport Agency, DVLA, IND), senior officials from the

other Departments concerned (HM Treasury and/or ONS and possibly Inland Revenue and/or DWP), and the Programme Director.

A strong and experienced Programme Director should be recruited urgently, probably from outside and at around G3 level.

The Programme Director should lead the main Programme Management Team and the Bill Team.

Critical before next review (Gate 0)

The Programme Director should appoint a Professional Client Adviser

The Programme Director should form a Principal Users Group

Some preliminary thought should be given, even at this stage, to structural options for the implementation phase and the related procurement strategy.

The main task for the next few months will be programme and project definition, within the context of the government's wider programmes for citizen information and establishing personal identity

There is an urgent requirement for considered analysis of the costs and benefits of the programme, the various options within it, and of value for money.

When a decision in principle to proceed has been reached, preparation of draft legislation, and the key accompanying secondary legislation, will need to proceed alongside the work on project definition

An early decision will be needed on whether a single Bill should cover the CIP initiative (if Ministers decide in favour of this) as well as Entitlement Cards or whether two separate pieces of legislation should be sought.

Another important task for the period ahead will be a fuller and more considered assessment of risks, together with means for reducing or managing it and assignment of responsibilities for this.

Preconditions

The following provides some of the comments extracted from a comparison between the preconditions expected at the time of a Gate 0:

- The programme is as yet undefined. It cannot therefore be said to be aligned to the business strategy as policy has yet to be agreed.
- While there is obvious support for the programme from both senior staff and ministers there is no clear evidence that the key roles that will be essential in making the programme a success have been identified. There is some confusion over the position of the SRO.

- There is no evidence that the skills and capabilities for this programme are readily available nor have arrangements been made so far to secure them. The Department is not yet well placed to manage the programme successfully.
- The creation of the Strategic Delivery Board is to be applauded. The Board may not have discussed the programme at this early stage were it not for the Gateway review.
- No appropriate framework is in place for risk management.
- PPM cannot be completed fully at this stage.

Potential for success

We have little doubt that the Entitlement Cards programme is do-able. The more difficult issues are how to achieve certainty of success on a predicted timescale and value for money, while minimising risks.

The next seven or eight months will be critical in shaping the Programme (assuming that Ministers decide in favour) and in sorting out how this and related projects will fit together, including an effective and robust systems architecture. In our experience it is often difficult, or even impossible, to recover from mistakes made at the project definition and design stage.

Our main recommendations for action in this next critical period are as follows:

Programme governance and management

- **Arrangements for strong programme direction and management should be put in place as soon as possible after Ministers have announced a decision to proceed with the scheme.** We suggest the following main elements in this (although clearly some variations are possible):
- **A senior Ministerial Committee chaired by the Home Secretary should exercise Ministerial oversight of the scheme.**
- **A “permanent” SRO should preferably be appointed as soon as practicable at a senior level (preferably Grade 1).** The person appointed will need to have the keenest interest in the programme and the necessary personal authority to command the respect and co-operation of the senior people from the other Departments and Agencies concerned who will make up the Programme Board. Selection of the SRO will be critical to programme success. On the one hand the individual should have the seniority to wield influence and also to demonstrate the programme’s importance but perhaps more importantly is the expertise and understanding needed to effectively advise and support the Programme Director.

- **The SRO should Chair a Programme Board consisting of the Heads of the other main Agencies and Units concerned in delivering the programme (UK Passport Agency, DVLA, IND), senior officials from the other Departments concerned (HM Treasury and/or ONS and possibly Inland Revenue and/or DWP), and the Programme Director.** The Programme Board should meet once a month and more often if required
- **A strong and experienced Programme Director should be recruited urgently, probably from outside and at around G3 level.** The person chosen should certainly have a proven track record in directing large programmes involving IT and preferably some experience of data management. It will be important that all members of the Programme Board should be committed to appointing a Director whom they will support and allow to direct the Programme and that they should consequently all take part in the recruitment panel for the Director.
- **The Programme Director should lead the main Programme Management Team and the Bill Team.** The Programme Management Team should include people from the Agencies and Departments taking part with a clear remit to make a success of the programme as a whole and not simply represent the interests of their parent organisation. Close contact should be maintained with the ODPM on the addresses elements of the card.
- **The Programme Director should appoint a Professional Client Adviser** This would include a named senior individual from a firm with excellent reputation who would bring in experts from his own firm or others to form a core support team with proven project and risk management processes, skills and experience.
- **The Home Office should lead the Programme but with committed support from the other involved Departments and Agencies.**
- **Implementation issues should be presented to Ministers and ‘joined up’ implementation should be endorsed by Ministers at the same time that policy decisions are addressed.** The precise arrangements will depend on how the Programme is defined and how this and other programmes and projects are fitted together (see below).
- **The Programme Director should form a Principal Users Group** consisting of representatives from each of the principal user Departments and Agencies, notably the Police, NCIS, Inland Revenue, DWP, HM Customs and Excise, ONS and possibly ODPM (qua addresses) and DFES, and from the financial sector (perhaps APACS). It will be essential also to develop effective communications with the public at large.
- **Some preliminary thought should be given, even at this stage, to structural options for the implementation phase and the related procurement strategy.** A Programme Office or agency under the

Home Secretary and some form of partnership with Private sector Partners are likely to be needed.

Project Definition

The main task for the next few months will be programme and project definition, within the context of the government's wider programmes for citizen information and establishing personal identity. Within this, key elements will be:

- Confirmation of the *keenly focussed and precisely stated objectives, purposes and scope* for the Programme that Home Office Ministers have already defined. It will be vital to confirm these (with slight refinement if necessary) and then to stick to them.
- Setting of carefully considered *Critical Success Factors* to supplement programme objectives.
- A first approximation to a *long-term programme plan*, with a gantt chart to illustrate dependencies and critical paths
- Careful *piloting* of key areas of the programme, especially high risk areas not already tested by DVLA or Passport Office and systems engineering and architecture (see below)
- Carefully considered decisions on *overall structures and systems architecture* will be vital. These decisions will critically affect success and value for money. Outside professional help in analysing and assessing the options will be crucial. Within systems architecture, some vital issues will be:
 - a) resolution with other Departments and Agencies of how the Entitlement Cards Programme and other related programmes will fit together. A particular issue will be whether the Treasury / ONS Citizen Information Project (CIP), whose database The Home Office are provisionally planning to use as the first-cut database for Entitlement Cards (with data cleansing and upgrading of individual entries as cards are issued), should form part of the same programme or be led separately by the Treasury / ONS as a sister programme. In the latter case, cross-representation of Project Board members, together with regular working level contacts, would seem essential.
 - b) processes for cleansing and maintenance of data. It seems evident that a single database will be required. Who should be responsible for (a) cleansing and (b) maintaining it? Should it be DVLA, Passport Office and a third unit (for non-drivers without passports)? Or should this responsibility be vested in a single joint unit formed from DVLA and Passport Agency? Should IND continue to deal with TCNs separately? The importance of the maintenance process can hardly be exaggerated.

- c) Processes for checking addresses. It seems important that these should be definitive national addresses, possibly incorporating unique property reference numbers (UPRNs). A process for delivering this will need to be worked out with the proposed National Address and Property Database Authority under ODPM.
- d) Processes for assigning reference numbers. The Home Office's provisional intention was to use national insurance numbers. CIP's original intention seems to have been to assign a new set of unique personal numbers. It would seem important to have a single set of numbers.
- e) Processes for establishing identity. The need for a common process (other than for TCNs) seems clear. As above, there is a critical issue as to whether three separate agencies (DVLA, Passport Office and a Home Office unit) should be responsible for this. Or should this responsibility be vested in a single joint unit formed from DVLA and Passport Agency?
- f) Processes for card issue. The same issue arises again.

Costs, benefits and value for money

There is an urgent requirement for considered analysis of the costs and benefits of the programme, and the various options within it, and of value for money. Although some work on costs and levels of charges has been undertaken, only limited attempts have been made so far to assess the time profile of costs or to quantify benefits from the programme. The expectation that ongoing costs of the programme can be covered by (monopoly) charges for passports and driver licences, thus making the programme self-financing, does not, of course, remove the need for a serious analysis of costs and benefits. Some early requirements alongside project definition will therefore be:

- To test and refine the estimates of programme costs made by the Departments consultants to reflect the clear programme definition with careful consideration of what costs would need to have been incurred anyway
- To test and refine the estimated annual profile for these costs, not just aggregate amounts over 13 years
- To estimate as far as possible the benefits, both those which can be measured (such as savings from process improvements along the lines discussed above) and those less susceptible of measurement (such as savings in benefits paid to people not entitled to them and savings from reducing the scope for identity fraud)
- To compare the extra benefits and costs from a faster roll out than now planned
- To compare value for money alongside other possible projects (such as reducing the scope for identity concealment through company vehicles)

- To ensure that the necessary funding is made available for the “set-up” years.

In our experience a keen focus from the outset on obtaining benefits is a key requirement in any programme of this kind.

Legislation

Home Office Ministers have indicated that they would like to introduce a Bill by around the end of the year, and certainly in the next session of Parliament, so as to maximise the chances of obtaining the necessary legislation in the present Parliament. **When a decision in principle to proceed has been reached, preparation of draft legislation, and the key accompanying secondary legislation, will need to proceed alongside the work on project definition** sketched above. Each is likely to be influenced by the other. **An early decision will be needed on whether a single Bill should cover the CIP initiative (if Ministers decide in favour of this) as well as Entitlement Cards or whether two separate pieces of legislation should be sought.**

Programme risks

Another important task for the period ahead will be a fuller and more considered assessment of risks, together with means for mitigating or managing it and assignment of responsibilities for this. The risk registers and assessments we have seen seem not to identify very explicitly some of the most important risks, such as:

- Governance failures (eg no coherent wider government programme for the whole area of establishing identity and maintaining a people register, robust governance structure, lack of clarity about responsibilities, no means of resolving issues, project creep)
- Inadequate support and commitment (we noted with some concern that the main potential beneficiaries of an Identity Cards scheme, such as police, DVLA, Passport Agency, IND, DWP, Inland Revenue and the financial sector, though generally supportive, were not quite as enthusiastic about the programme as might have been hoped.
- Programme scale. The sheer scale of the programme could lead to difficulties.
- Poor systems architecture. This could severely reduce benefits from the scheme and increase cost.
- Unexpected data problems. This is an ever present danger.
- Process failures.
- Biometrics. Opinion seems divided on how effective or dependable biometrics will be. There is little past experience, in the UK or elsewhere, to go on. Pilots will be especially important.

- Inadequate card security (stealing and counterfeiting). The police and IND saw the value of the Identity Cards as being severely reduced if there is not a high level of card security. There needs to be a safe assumption that person showing a card is who he claims to be.
- The scheme does less good than hoped, with perceived benefits seemingly not on a scale to justify the costs and some erosion of public support for the scheme. The Police felt that the absence of any obligation to carry or produce identity cards would substantially remove the administrative savings and some of the other advantages that Identity Cards would offer.

Readiness for next phase

We believe that successful pursuit over the next seven or eight months of the programme of work discussed above will put the Home Office in an excellent position to pass a second Gateway 0 assessment, perhaps in February of next year, and to proceed from there to the development of a full Business Case, Project Initiation Document and contract strategy alongside launching of the legislation.

There are just two final thoughts we would add.

First, we assume that, before a firm decision to proceed with a scheme is taken and announced, Ministers and the Department will satisfy themselves that there is a firm and defensible basis for reaching such a decision, in terms of the analysis so far made. If such an announcement is made, as presently proposed before the Recess, we would suggest that it should offer as few commitments as possible about the timing and nature of the programme. The aim should be to leave as much room as possible for manoeuvre.

Second, it will be important to keep in mind the Treasury/PAC Concordat limiting the scale of expenditure that Governments may incur ahead of the Royal Assent to legislation.

The next OGC Gateway 0 review is expected in early 2004

Annex LIST OF INTERVIEWEES

<Name redacted>	Staffordshire Police
<Name redacted>	APACS
<Name redacted>	DVLA
<Name redacted>	DVLA
<Name redacted>	Home Office Minister
<Name redacted>	Home Office
<Name redacted>	Independent Consultant
<Name redacted>	UK Passport Service
<Name redacted>	UK Passport Service
<Name redacted>	Home Office
<Name redacted>	Home Office
<Name redacted>	Fujitsu Consulting

<Name redacted>	Fujitsu Consulting
<Name redacted>	Treasury Solicitors
<Name redacted>	Home Office IND
<Name redacted>	DWP
<Name redacted>	DWP
<Name redacted>	Inland Revenue
<Name redacted>	Inland Revenue
<Name redacted>	Inland Revenue
<Name redacted>	Office for National Statistics
<Name redacted>	Home Office