

THE LSE IDENTITY PROJECT

All Party Briefing “Nothing to hide, nothing to fear”

February 13, 2006

The original amendment on cost information, put forward in the House of Lords, sought to address a widely held concern about the government’s unwillingness to be open about the likely costs associated with implementing the identity cards scheme. These concerns are shared by some in the Lords, industry and by the LSE, whose initial alternative costings fuelled the concerns of the Lords over the limited information made available to them. The proposed amendment for the House of Commons does not seek to address this underlying issue and, indeed, the provisions of clause 4, are likely to repeat the same, unnecessary secrecy that the Lords were seeking to explore.¹

Background

In debating their amendment on January 16th, 2006, the Lords noted:

Baroness Noakes: “Our Committee stage was unusual, in that we failed to get any useful information, despite spending several hours on the matter.

In fact, our only achievement was to establish with more precision what the Government would not tell us about costs.”

“The sad fact is that the Minister’s brief has confined her to **giving information about the Home Office’s costs alone**, and not even all of those, because the Minister has said that the £584 million do not even include the figures for its own immigration service.”

“However, freedom of information requests have produced no useful information on the gateway reviews or the risk registers that government projects are supposed to draw up. This is in marked contrast with projects in other parts of government. When we add this secrecy to the secrecy about costs, **we see one of the most opaque and unsatisfactory set of proposals that Parliament has ever had to consider.** For that reason, an additional process of scrutiny of costs and benefits in another place



is an essential addition to this Bill.”²

Lord Phillips: “I would not be as adamant about this—and, I am sure, many of your Lordships would not feel as keenly—were it not that **what information we have been given has been extracted with as much difficulty as if we were pulling out the Prime Minister’s teeth.**”³

Claims on Industry capabilities

Throughout the Bill’s parliamentary scrutiny, the government’s response to these concerns has been consistently that it cannot provide this information for reasons of “commercial sensitivity” during the procurement process. However, even those members of industry that are likely to bid to implement the resulting information technology infrastructure are beginning to express concern at the lack of openness surrounding the government’s proposals. For example, Intellect, “the trade association for the UK hi-tech industry”, in a press release dated January 19th, 2006 said:

“Regarding the technology which will enable the project it is industry’s belief that the scheme

¹ In this and all the following quotations, we have added the emphasis.

² Column 431

³ Column 431

should be built on technology and business processes that have been proven in existing implementations around the world. And that the only way that Government will achieve this is **by talking to industry, being honest about their requirements, and listening to industry's advice**".⁴

Intellect had previously been very supportive of the government's proposals⁵ and is conducting a market-sounding exercise in co-operation with the identity card programme.⁶

Similarly, the draft report of the *EURIM* and *ID-entity* technical briefing meeting, held at Portcullis House on January 12th, 2006 notes: "None of the potential suppliers have had sufficient access to specification of what is intended or who is to be served to be able to provide costings of any reliability. There is no evidence that the potential private sector partners with experience of running supposedly similar operations (e.g. financial services) have been consulted in any more depth".⁷

The Dobson amendment being considered by the government does not require the Home Office to disclose potentially substantial integration costs that would be incurred by other government departments. It permits the ring-fencing of figures around the Home Office budget.

The proposed amendment does not require government to disclose the projected cost to the citizen of an ID card or of registration under the designated document provision. While the cost of public expenditure of designated documents such as driving licences is proposed, the cost to applicants would remain unknown.

For example, if ID card registration is required by way of recall and reissue of licences under c.29 of

the Road Safety Bill (Compulsory surrender of old-form licences), the cost to the citizen of such an application would necessarily be added to the existing cost of a driving licence. That is, even if the government's capped ID registration figure of £30 is taken at face value, the cost of a new licence under such provisions would have to rise at current prices to at least £68.

Accusations against the LSE

Much of the debate about costs has been driven by the discrepancies between the Home Office's figures and those produced by the LSE in its main report issued in June 2005. A particular discrepancy, which was mentioned as recently as February 7th by Andy Burnham in a briefing letter to the Parliamentary Labour Party, said that the LSE Identity project set out to deliberately inflate its costs so as to reach a headline figure of £300 per card. In order to do this, he claims that we have allocated "an inflated £1 billion marketing budget" to the project.

This claim was first made in the Home Office response to the LSE alternative blueprint⁸ issued in July 2005 which stated that we had estimated marketing costs of between £500million and £1 billion. In our reply, issued on August 5th, 2005⁹ we noted that "The LSE report did not set out an estimate for marketing costs or indeed for any line item of that nature". Again, in our status report issued in January 2006, we stated that we had made no such estimates and even suggested, in footnote 10, a possible explanation for the confusion. The most generous explanation we can find for the Minister repeating this claim to parliamentary colleagues in February 2006 about a £1 billion cost, is that he has been poorly briefed on the nature of the LSE's detailed work in this area.

⁴ http://www.intellectuk.org/press/pr_190106_id_card_debate.asp

⁵ Mr Clarke, 18 Oct 2005, Column 800 "Intellect members and the wider UK technology industry have the ability to meet the technological challenges created by the Government's ID card proposals".

⁶ Baroness Scotland, 16 Jan 2006, Column 460

⁷ <http://www.eurim.org.uk/activities/pi/060112pireport.pdf>

⁸ http://www.identitycards.gov.uk/library/Response_LSE_Alternative_Blueprint.pdf

⁹ http://is2.lse.ac.uk/IDcard/LSE_ResponseTo_HomeOffice.pdf