

PO-CH/NL/0423

PART A

Part . A .

**CONFIDENTIAL**  
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Begins : 29/3/89 .  
Ends : 28/4/89 .

**THIS FOLDER HAS BEEN REGISTERED ON THE REGISTRY SYSTEM**

PO CH | NL | 0423  
PT.A.

Chancellor's (Lawson) Papers:  
Proposals to Introduce a Voluntary  
Identity Card Scheme.

PO CH | NL | 0423  
PT.A.

DD's : 25 Years

*[Signature]*

24/1/96.



By The Home Secretary proposes a committee to look at his idea of a voluntary identity card to replace the British Visitors' Passport. This would ~~immediately~~ be a 'toe in the water' for a fully fledged identity card scheme in due course. It would also exacerbate the Passport Office's seasonal staffing problem but that is his problem.

Briefing by officials will come up by 18 April, in time for next meeting of H Committee.

~~the~~ LSPH  
LSPH  
John  
LSPH  
this  
-  
@15



FROM: D I SPARKES

DATE: 6 April 1989

PS/CHIEF SECRETARY

cc: Sir P Middleton  
Sir P Middleton  
Mr Anson  
Mr Monck  
Mrs Case  
Mr Mortimer  
Mr Brook

17  
BF ~~NA~~ / 4

[Briefing up on Mon]

**IDENTITY CARDS**

The Chancellor has read the Home Secretary's memorandum on identity cards - Paper H(89)1 - to the Home and Social Affairs Committee on which I understand Mr Brook will be providing briefing in due course. He thought that the idea of a voluntary identity card to replace the British Visitors' Passport, as a way of testing the water for a more fully-fledged identity card scheme, well worth pursuing.

Mike

~~Pls ask Mr Brook when he will be providing briefing on identity cards in response to Mr Hurd's memorandum.~~  
Thanks.

D.I.

DUNCAN SPARKES

CONFIDENTIAL

FROM: P H BROOK (HE1)  
 DATE: 17 APRIL 1989  
 EXTN: 4708

1. MR MORTIMER (HE1)  
 2. CHIEF SECRETARY

cc: Chancellor  
 Financial Secretary  
 Sir P Middleton  
 Mr Anson  
 Mr Monck  
 Mrs Case  
 Mr Deaton (GEP3)  
 Mr Gilhooly (FP)  
 Mr Pirie (FM1)  
 Mr Michie (FP)  
 Mr Roberts (FM1)  
 Mr Call

*Wm. 12/4*  
~~BF 20/4~~  
 PWP

### IDENTITY CARDS

The Home Secretary's H Committee Memorandum (H(89)1) seeks approval to set up an inter-departmental committee to examine the possibility of introducing a voluntary identity card system. I understand that you do not propose to attend the meeting to discuss this on Wednesday 19 April.

### Background

2. Following an upsurge in interest in the possible re-introduction of identity cards the Home Secretary canvassed colleagues' views in a letter of 3 August 1988. Of Ministers who replied only the Secretary of State for Health supported the idea of a compulsory scheme. The Foreign Secretary and Education Secretary felt it was worth keeping open the possibility of a voluntary scheme. Your reply on 11 October was discouraging on both counts. I attach at Annex a summary of responses.

### Home Secretary's proposals

3. Mr Hurd concluded that the benefits of a compulsory scheme were insufficient to justify the high financial and social costs of introducing it.

4. He does not feel that the same arguments apply to a voluntary scheme. Most European countries issue identity cards and other members of the EC are beginning to talk about the possible necessity for identity cards with the abolition of frontiers in 1992. The Home Secretary believes that identity cards will come one day and that "1992 and European travel" offer a way of testing the market without raising civil liberties protests.

5. The British Visitors Passport (BVP), which is issued by the Post Office, has long been criticised by other EC countries because of the ease with which it can be obtained. Mr Hurd is attracted by the idea of an identity card as a replacement to the BVP. He envisages that the Passport Office would be the issuing authority and that charges would be set to cover costs.

6. He proposes to set up an inter-departmental committee under Home Office chairmanship, with external experts to look further at this option. He proposes that it considers whether a voluntary identity card would be worth introducing, what purposes the card would serve, who should issue the card and at what cost. He suggests that an early discussion document is produced for public comment.

#### Resource Implications

7. GEP advise that there would be little to distinguish identity cards from passports as far as classification is concerned. Neither fulfil the criteria for negative public expenditure treatment and receipts would therefore be treated as revenue, while the costs of issuing identity cards would score as public expenditure.

8. The introduction of a voluntary identity card scheme would involve a net increase in public expenditure unless the Home Secretary offered up offsetting savings elsewhere on his programme. Paragraph 15 of the paper accurately reflects this treatment, but paragraph 9 is incorrect in saying that there will be "no net call on public expenditure".

9. The costs of introducing a scheme are difficult to forecast but it might involve start up costs of £5+ million with on-going operating costs of £15+ million a year. The committee would look in greater detail at this.

#### Assessment

10. The annex to the paper assesses the possible uses for a voluntary identity card scheme. It finds no advantages for any government departments and few for the citizen. Considered on these grounds alone there is no reason to introduce a voluntary scheme.

11. However, as the Chancellor has pointed out (see note attached), the idea of replacing the BVP with an identity card would be a way of testing the water for a fully-fledged identity card scheme.

12. The introduction of a scheme would have significant public expenditure implication and you would be likely to be faced by bids of perhaps £20/15/15 million in the relevant Survey. Any decision on the introduction of a scheme would therefore need to dovetail with the Survey process.

13. The Home Secretary suggests that the fee would be set to cover the charge. This depends crucially on take up rate and any study would need to include a sensitivity analysis on likely take up. This might usefully be supported by a public opinion survey. The paper suggests the cost of a card might be of the order of £10-15 assuming the cost included the FCO's subvention charge (I do not see how this could be avoided if the identity card would act as a travel document). There seems few attractions to an identity card at that sort of price when a full passport costs £15.

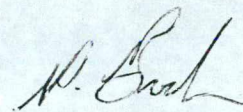
14. Identity cards would, at least initially, be used mainly as travel documents and the peak demand for them would coincide with that for passports; that is in the Summer months. Adding the issue of identity cards to the functions of the Passport Office would exacerbate the severe difficulties it already encounters in dealing with that peak of business.

Recommendations

15. I understand that you are content for an inter-departmental committee to be set up to look further at the subject. I recommend however that you make the following points:

- the gross cost of a scheme would add to public expenditure, unless offsetting savings are offered up; and
- any proposals should be supported by:
  - (a) a full cost benefit analysis, and
  - (b) a sensitivity analysis of likely take-up rate supported by a public opinion survey.

16. A draft letter is attached. If you are content it would be preferable if this is issued tomorrow, Tuesday 18 April, in order to reach members of H before the meeting on Wednesday.



P H BROOK



DRAFT LETTER TO THE HOME SECRETARY

IDENTITY CARDS: H COMMITTEE MEMORANDUM (H(89)1)

I shall be unable to attend the meeting of H on Wednesday 19 April and I thought I should therefore let you have my comments in advance.

While I remain doubtful about the merits of a voluntary scheme, I do accept that replacing the British Visitors Passport would be a way of testing the water for a fully-fledged scheme. However, paragraph 9 of the Memorandum is not correct in saying that there would be no net call on public expenditure. For similar reasons that apply in the case of passport fees, receipts from the sale of identity cards would be classified as revenue, not negative public expenditure. Without offsetting savings, the full costs of a scheme would score as a net addition to public expenditure. This would be a matter for discussion in the public expenditure survey.

I do not oppose the setting up of an inter-departmental committee to look further at this. As you say, the examination will need to include a full cost benefit analysis of any proposals. I note your intention that the fees would be set to cover costs. These would depend crucially on the forecast take-up rate and in my view an examination should include a sensitivity analysis of likely take-up. This might usefully be supported by some form of public opinion survey.

I am copying this letter to other members of H Committee.

JOHN MAJOR

DVI.15

**SUMMARY OF RESPONSES TO HOME SECRETARY'S LETTER OF 3 AUGUST 1988  
SEEKING MINISTERIAL COLLEAGUES' VIEWS ON THE GENERAL QUESTION OF  
IDENTITY CARDS**

**NOTE BY F3 DIVISION**

Nine Ministers have replied to the Home Secretary's letter. Only one Minister, the Secretary of State for Health, supports the idea of a compulsory scheme. The general view is that any benefits would be outweighed by the disadvantages, the costs of introduction, administration and enforcement and all the attendant controversy.

The Foreign Secretary and the Education Secretary suggest that the possibility of a voluntary scheme should be kept open. The Foreign Secretary suggests that a voluntary ID Card might effectively replace the BVP for European travel. The Chief Secretary to the Treasury sees no advantage in a voluntary scheme and says that even if charges for cards were to cover costs this would not justify the expansion of the public sector necessary to operate the scheme.

The main points made in the Ministerial replies are as follows:-

Chief Secretary to Treasury

Compulsory scheme: potentially unattractive, extremely costly to introduce and enforce. Benefits outweighed by disadvantages.  
Voluntary scheme: difficult to see advantages, even if charges (for cards) were to cover costs this would not justify the expansion of the public sector necessary to operate the scheme.

Foreign Secretary

Compulsory for the UK as a whole: out of the question for the foreseeable future. Advantage in encouraging discussion of the case for voluntary ID cards. Might effectively replace the BVP - about which FS has misgivings on security grounds - for European travel.

S of S Social Security

Usefulness in preventing social security fraud doubtful; anti-fraud measures could not be claimed as justification for introduction of compulsory ID cards.

### S of S Environment

Does not see that any (? compulsory and/or voluntary) schemes would deliver benefits which could justify the cost and attendant controversy. Any suggestion that Government was seriously considering introducing ID Cards would be linked in the public mind with the introduction of the community charge. (From the time when community charge was first mooted, Ministers have insisted it was not the precursor to a system of national ID cards).

### DTI (Tony Newton)

No convincing case for ID card scheme (whether voluntary or compulsory). Marginal DTI interest against background of Single European Market. ID cards would make internal security checks easier and checking of entrants to the UK could be reduced at frontiers without jeopardising objectives on immigration and terrorism. ID cards could be used for travel within EC.

### Lord Chancellor

Benefits marginal when compared with whether an ID card scheme would be politically acceptable and practicable. Compulsory scheme likely to be a non-starter. Not convinced that the benefits would outweigh the cost.

### Attorney General

To be any good, ID cards would have to have fingerprints and it would have to be compulsory to carry them. Yet they would still be forged on a vast scale. Simply not worth the very substantial candle.

### S of S Education and Science

Disappointed that the case for ID cards has received so little support. Belief that Government could take a more relaxed view of the libertarian arguments against them would have been possible 20 or 30 years ago. People are accustomed to the need to be able to identify themselves. Keep open the possibility of a voluntary scheme.

### S of S for Health

Favours introduction of a compulsory ID system. Would improve system of registration for General Medical Services, flow of information on patients and comprehensiveness of NHS registration arrangements. Compulsory scheme would be supported by majority of the public once the benefits were explained, and opposed forcibly by active lobbies

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Down



FROM: D I SPARKES  
DATE: 6 April 1989

PS/CHIEF SECRETARY

cc Sir P Middleton  
Sir P Middleton  
Mr Anson  
Mr Monck  
Mrs Case  
Mr Mortimer  
Mr Brook

**IDENTITY CARDS**

The Chancellor has read the Home Secretary's memorandum on identity cards - Paper H(89)1 - to the Home and Social Affairs Committee on which I understand Mr Brook will be providing briefing in due course. He thought that the idea of a voluntary identity card to replace the British Visitors' Passport, as a way of testing the water for a more fully-fledged identity card scheme, well worth pursuing.

A handwritten signature in dark ink, appearing to read 'D. Sparkes'.

DUNCAN SPARKES

PPP



SECRETARY	
10/29	
Mr Mortimer	
ex FSI, Sir M. J. L. etc	
Mr Anon, Mr Mack,	
Mrs Case, Mr Deane, Mr Price	
Mr Gilhooly, Mr Macchie,	
Mr Roberts, Mr Brook, Mr Call	

PPP

PRIME MINISTER

IDENTITY CARDS

20/4/89.

The Home and Social Affairs Committee (H) considered at their meeting yesterday morning a Memorandum by the Home Secretary on identity cards (H(89) 1).

No member of H favoured the introduction of a compulsory identity card, at least for the foreseeable future. The discussion accordingly focussed on the case for a voluntary identity card and, in particular, on the Home Secretary's proposal that the Government should establish an inter-departmental committee to examine the feasibility and acceptability of a voluntary card.

Interest in this topic has waned in recent weeks partly as a result of the failure of Ralph Howell's Bill, which sought to provide for a compulsory identity card system. However, the Home Secretary felt that the subject was bound to return to the political agenda before long and that the Government should therefore set in hand arrangements for examining the feasibility of a voluntary scheme.

The Home Secretary canvassed the possibility of replacing the British Visitor's Passport (BVP), which is widely criticised because of the ease with which it can be obtained, being replaced by a new travel document which could be used also as an identity card. This would be broadly in line with a recent proposal by the Home Affairs Committee. Such a document would be subject to a comparable standard of verification to that of the existing full passport. BVPs are issued by the Post Office, but the

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proposed new travel document would probably be issued by the Passport Office. As well as being used as a travel document within Europe, it could contain certain non-governmental information (eg. bank account number, blood group and next of kin) and might also be used as a means of identifying those who are old enough to drink in pubs, etc.

Both the Home Secretary and the Foreign and Commonwealth Secretary believed that the introduction of such a document might be of assistance in the negotiations on the abolition of frontier controls after 1992. However, the Foreign and Commonwealth Secretary was concerned that it should not be presented as in any way connected with developments in Europe.

Some members of the Committee were worried that any moves towards the introduction of voluntary identity cards would be wrongly portrayed as the first step towards a compulsory system. On the other hand, other members of the Committee thought that a voluntary card could be popular with the public, although it was recognised that it was open to question whether the Government should involve itself in facilitating the recording of personal data such as bank account numbers.

There was also some difference of view over whether the proposed inquiry should be presented as an investigation into the feasibility of a new travel document which might incidentally have the capacity to store personal data, or whether the travel aspect should be played down on the grounds that the proposed new document was likely to be both more expensive and less convenient to obtain than the BVP.

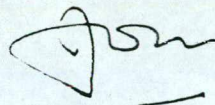
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On balance, the Committee believed that further work should be undertaken on the feasibility of a voluntary card, in the way proposed by the Home Secretary. However, it was recognised that careful consideration would need to be given to the timing of any announcement to ensure that it did not become linked in the public mind with either the football membership scheme or the community charge. The Committee also considered that any new card would have a better prospect of securing public acceptance if it was described as, say, a personal information card rather than as an identity card.

In view of the sensitive political nature of these issues, I undertook to report the Committee's views to you. If you are content in principle for an inter-departmental inquiry to be established, I think that the next step would be for the Home Secretary to circulate proposals for its terms of reference and for the presentation and timing of an announcement.

I am copying this minute to members of H Committee, to the Foreign and Commonwealth Secretary, the Attorney General and the Lord Advocate and to Sir Robin Butler.



J W

20 April 1989

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10 DOWNING STREET  
LONDON SW1A 2AA

From the Private Secretary

24 April 1989

CHIEF SECRETARY	
REC	24 APR 1989
	Mr Mortimer
	Mr EST, Sir P. Middleton
	Mr Snow, Mr Manck, Mrs Case,
	Mr Deaton, Mr Price. Jean Stephen
	Mr Gilhooly, Mr McInnis
	Mr Roberts, Mr Brook
	Mr Call.

**IDENTITY CARDS**

The Prime Minister was grateful for the Lord President's minute of 20 April. The Prime Minister feels strongly that any further consideration of this issue should be deferred until the autumn.

A copy of this letter goes to the Private Secretaries to the other members of H Committee, and to Stephen Wall (Foreign and Commonwealth Office), Michael Saunders (Law Officers' Department), Alan Maxwell (Lord Advocate's Department) and Trevor Woolley (Cabinet Office).

*Yours ever*

*Dominic*

DOMINIC MORRIS

Stephen Catling, Esq.,  
Lord President's Office

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**CHANCELLOR**

**FROM: A G TYRIE**

**DATE: 24 April 1989**

**cc:** Chief Secretary  
Financial Secretary  
Sir P Middleton  
Mr Anson  
Mr Monck  
Mrs Case  
Mr Pirie  
Mr Gilhooly  
Mr Michie  
Mr Mortimer  
Mrs Chaplin  
Mr Call

*Thanks. I am not sure about 2 of them but I do think we cannot do this without the PM's approval. As you will see from behind, PM clearly also has her doubts. (must be introduced by her). (or drop).*

**IDENTITY CARDS**

I saw Mr Wakeham's letter to the Prime Minister on identity cards. These don't look like a good wheeze to me:

- Whatever the nomenclature, we'll have a tough job portraying these as anything other than a first step to a compulsory system. So we'll take some political flack.
- They will be no easier to get hold of than full passports. That's a bureaucratic hassle as it is. So I can't see the scheme being a rip-roaring success.
- If the scheme were a flop it looks as if it would actually cost us money.
- People would mistake discussion of this for discussion of identity cards for football matches.

2. The scheme would be more attractive if an identity card were to substitute for the Post Office temporary passport, that is, if it were reasonably easy to obtain and useable for travel in Europe. It would also have some attraction if the identity card were of credit card size. But if the card is to be of similar proportions, cost and hassle to obtain as a full passport I really can't see it being a success.

  
**A G TYRIE**



FROM: D I SPARKES  
 DATE: 28 APRIL 1989

MR TYRIE

cc PS/Chief Secretary  
 PS/Financial Secretary  
 Sir P Middleton  
 Mr Anson  
 Mr Monck  
 Mrs Case  
 Mr Pirie  
 Mr Gilhooly  
 Mr Michie  
 Mr Mortimer  
 Mrs Chaplin  
 Mr Call

*pmw*

#### IDENTITY CARDS

The Chancellor was grateful for your minute of 24 April voicing your reservations on the Home Secretary's proposal to consider replacing the British Visitors' Passport with a voluntary identity card. He has also seen a copy of the letter dated 24 April from the Prime Minister's Private Secretary requesting that further consideration of this issue should be deferred until the Autumn.

2. The Chancellor takes a more sanguine view of this proposal than you do but he commented that two things are clear. First, we cannot possibly do anything on this front until the football membership card scheme has been satisfactorily introduced (or dropped); second, the suggested change of nomenclature ("personal information card" rather than "identity card") is a farcical suggestion.

*D.I.*  
 DUNCAN SPARKES