

7.1 ID Fraud Benefit Profile (TO BE UPDATED)

Benefits Identifier	BEN/DWP/1/04	Organisation	Department of Work and Pensions
Option number	N/A		
Design change required (if applicable)	N/A		
Linked Identity Card Strategic Outcome	Reduce ID Fraud		
Profile Agreement Date	22/10/04	Profile Last Reviewed	20/1/05

Overarching Strategic Benefit	
Strategic Benefit	ID fraud savings
Strategic Benefit Owner	Redacted

Specific Benefit			
Specific Benefit	Improved ID verification supported by biometrics would counter 1 person holding numerous claims.		
Organisational Area	DWP (Job Centre Plus)	Benefit Category	Financial (AME)
Existing or intended identification process (where applicable)	Currently applicants produce various forms of identity including driving licences, passports, and utility bills. All of which are scrutinised by staff to establish identity.		
Identity documents used	Driving licences and passports		
New identification process using identity card scheme	An online biometric check at application and potentially on each visit to make/receive a claim.		
Explanation of why new process gives rise to benefit	Reduce the ability for individuals to have more than one identity and therefore multiple fraudulent claims to benefit.		

Assumptions & Risks		Confidence
Strategy/Projects	Assumes that the ID Card will be incorporated into DWP Businesses and Processes	75%
Verification Processes	Subject to suitable and timely transfer of information from HO and DWP	75%
Organisation/ Location		
Data		
Applications		
Technology	Assumes technology can cope with data/verification volumes	75%
Legal/ Policy	Assumes legal gateway exists for transfer of information	75%
Other	Assumes that technology delivers to time and scope	75%IR

Dependencies	Confidence
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Other Beneficiaries	IR who also use NINO reference number– will reduce the number of non-matching items between system by using new number.	90%
Strategy/Projects		
Organisation/ Location	Home Office	90%
Systems	DWP Departmental Central Index (DCI) and replacement Customer Information System (CIS) contain information on claimants (NINO, address). The NIR number will need to be included on these systems, and there be means of up-dating information.	90%
Biometrics	Does not rely on choice of one biometric over another	90%
Other		

Requirements		
IT Requirements		
Number of readers required (2007/2013)	2007	1200
	2008	1200
	2009	1200
	2010	1200
	2011	1200
	2012	
	2013	

Benefit Valuation					
Total Benefits Valuation (after 10 years)			£65m (Total Benefits would be realised from the Annually Managed Expenditure ((AME)) Budget)		
Year	Take - up	Benefit Valuation	Cost Valuation	Volume of transactions	Verification Processes
2008 (year 1)	(10% of 50 million)	• N/A	• £300,000	• 854,884	• Identity and biometric verification
Assumptions for year 1		• Assumption that DWP will need to offer the readers as a means of identification, albeit that those committing the fraud are unlikely to be checked and therefore no fraud benefit realised.			
2009 (year 2)	(15% of 50 million)	• N/A	• £300,000	• 2,137,210	• Identity and biometric verification
Assumptions for year 2		•			
2010 (year 3)	(15% of 50 million)	• N/A	• £300,000	• 3,419,536	• Identity and biometric verification
Assumptions for year 3		•			
2011 (year 4)	(15% of 50 million)	• N/A	• £300,000	• 4,701,862	• Identity and biometric verification
Assumptions for year 4		• Assumption all biometric readers will have been purchased by this date.			
2012 (year 5)	(15% of 50 million)	• N/A	•	• 5,984,188	• Identity and biometric verification
Assumptions for year 5		•			
2013	(15% of 50 million)	• N/A	•	• 7,266,514	• Identity and biometric

(year 6)					verification
Assumptions for year 6		•			
2014 (year 7)	(15% of 50 million)	• £11m	•	• 8,548,840	• Identity and biometric verification
Assumptions for year 7		<ul style="list-style-type: none"> • The identity card scheme is now compulsory. • Realisation of savings will now commence from this year on until full population coverage • £25m estimated savings assumes a 50% reduction in the existing estimated ID fraud loss of £50m. • £25m estimate based on previous figure provided for breakdown of £100m overall savings PQ for which there is limited analytical justification. • The estimate of £50m for ID fraud was based on RBR (Regional Benefit Review) figures from IS and JSA showing ID fraud estimates of £3m loss against £15,831m expenditure (0.02%). With some £80m overpayments attributable to persons not being found at a given address (some of whom were probably bogus) the cumulative assessment was £20-£50m. • We have to acknowledge that by it's nature some cases of identity fraud will not be uncovered by the review process - we can not know how much. • RBR covers only IS and JSA. • Ability to carry out bulk data matching with checks on CIS through on line system access by DWP staff. • Bimoetric used as part of standard verification process for claiming benefits. • Potential £25m total savings estimated , pro rata for this year. 			
2015 (year 8)	(15% of 50 million)	• £13m	• breakdown figures by process	• 8,548,840	• Identity and biometric verification
Assumptions for year 8		<ul style="list-style-type: none"> • The identity card scheme is now compulsory. • Realisation of savings will now commence from this year on until full population coverage • £25m estimated savings assumes a 50% reduction in the existing estimated ID fraud loss of £50m. • The estimate of £50m for ID fraud was based on RBR (Regional Benefit Review) figures from IS and JSA showing ID fraud estimates of £3m loss against £15,831m expenditure (0.02%). With some £80m overpayments attributable to persons not being found at a given address (some of whom were probably bogus) the cumulative assessment was £20-£50m. • We have to acknowledge that by it's nature some cases of identity fraud will not be uncovered by the review process - we can not know how much. • RBR covers only IS and JSA. • Ability to carry out bulk data matching with checks on CIS through on line system access by DWP staff. • Bimoetric used as part of standard verification process for claiming benefits. • Potential £25m total savings estimated , pro rata for this year. 			
2016 (year 9)	(50 million)	• £16m	• breakdown figures by process	• 8,548,840	• Identity and biometric verification
Assumptions for year 9		<ul style="list-style-type: none"> • The identity card scheme is now compulsory. • Realisation of savings will now commence from this year on until full population coverage. • Assumes a 50% reduction in the existing estimated ID fraud loss. • The estimate of £50m for ID fraud was based on RBR (Regional Benefit Review) figures from IS and JSA showing ID fraud estimates of £3m loss against £15,831m expenditure (0.02%). With some £80m overpayments attributable to persons not being found at a given address (some of whom were probably bogus) the cumulative assessment was £20-£50m. • We have to acknowledge that by it's nature some cases of identity fraud will not be uncovered by the review process - we can not know how much. • RBR covers only IS and JSA. • Ability to carry out bulk data matching with checks on CIS through on line system access by DWP staff. • Bimoetric used as part of standard verification process for claiming benefits. 			

		<ul style="list-style-type: none"> Potential £25m total savings estimated , pro rata for this year. 			
2017 (year 10)	(50 million)	<ul style="list-style-type: none"> £25m 	<ul style="list-style-type: none"> breakdown figures by process 	<ul style="list-style-type: none"> 8,548,840 	<ul style="list-style-type: none"> Identity and biometric verification
Assumptions for year 10		<ul style="list-style-type: none"> Full population coverage for identity card scheme so potential £25m savings is now achieved. Assumes a 50% reduction in the existing estimated ID fraud loss. The estimate of £50m for ID fraud was based on RBR (Regional Benefit Review) figures from IS and JSA showing ID fraud estimates of £3m loss against £15,831m expenditure (0.02%). With some £80m overpayments attributable to persons not being found at a given address (some of whom were probably bogus) the cumulative assessment was £20-£50m. We have to acknowledge that by it's nature some cases of identity fraud will not be uncovered by the review process - we can not know how much. RBR covers only IS and JSA. Ability to carry out bulk data matching with checks on CIS through on line system access by DWP staff. Bimoetric used as part of standard verification process for claiming benefits. Potential £25m savings estimated for this year. 			
Sensitivity to results		Highly sensitive since we are relying on an estimate of ID fraud loss as captured from an annual sample of reviewed cases.			
Method of calculating benefit		<p>NOTE: DWP perceive losses to identity fraud to be between £25-50m per annum, due to the nature of our business processes and recording of monetary value of fraud and error the figures are unreliable therefore DWP can only sign up to a maximum saving in this area of 25m per annum.</p> <p>Assumes an exponential rate of achieved savings in the years commencing full compulsion. This is because we are assuming that those committing such fraud would apply for identity cards at the latest opportunity.</p> <p>These figures have been provided by DWP IAD (OR).</p>			

Performance Management	
Performance Measure(s)	
Target Performance	
Performance baseline	
Realisation Date(s)	
Measurement Source(s)	
Measurement Frequency	
Measurement Roles	

Hand over arrangements	
<p>The total benefits described above can be considered a realistic appraisal, given the assumptions, and dependencies outlined.</p> <p>Signed..... Redacted Dated.....22 October 2004.....</p> <p>Insert full name & job title ... Redacted</p>	

7.2 Living Together Fraud Benefit Profile **(TO BE UPDATED)**

Benefits Identifier	BEN/DWP/2/04	Organisation	Department of Work & Pensions
Option number	N/A		
Design change required (if applicable)	N/A		
Linked Identity Card Strategic Outcome	Reduction in crime		
Profile Agreement Date	22/10/04	Profile Last Reviewed	20/1/05

Overarching Strategic Benefit	
Strategic Benefit	LTHAW savings
Strategic Benefit Owner	Redacted

Specific Benefit			
Specific Benefit	Data from cross government ID Card population database used in countering Living Together Fraud cases.		
Organisational Area	DWP	Benefit Category	Financial (AME)
Existing or intended identification process (where applicable)	Utility bills and other forms of documentary evidence are used to prove an applicants home address.		
Identity documents used	Utility bills		
New identification process using identity card scheme	NIR electronically shares address data with DWP systems		
Explanation of why new process gives rise to benefit	Reduce the ability for individuals to provide false / out of date address details.		

Assumptions & Risks		Confidence
Strategy/Projects	Subject to cross-government data sharing enabling up to date address details to be provided	75%
Verification Processes	Subject to suitable process to enable transfer of information between HO and DWP	75%
Organisation/ Location		
Data	Assume acceptable exchange of verified data.	
Applications		
Technology	Assumes technology can cope with volumes	75%
Legal/ Policy		
Other	Assumes legal gateway exists for transfer of information	

Dependencies		Confidence
Other Beneficiaries	IR – for better address data and the reduction in numbers of non matching items.	90%
Strategy/Projects		
Organisation/ Location	Home Office	90%
Systems	DWP Departmental Central Index (DCI) and replacement Customer Information System (CIS)	90%
Biometrics	Does not rely on choice of one biometric over another	90%
Other		

Requirements		
IT Requirements		
Number of readers required (2007/2013)	2007 2008 2009 2010 2011 2012 2013	

Benefit Valuation					
Total Benefits Valuation (after 10 years)			£58m (Total benefits would be realised from the Annually Managed Expenditure ((AME)) budget)		
Year	Take - up	Benefit Valuation	Cost Valuation	Volume of transactions	Verification Processes
2008 (year 1)	(10% of 50 million)	• N/A	• breakdown figures by process	• breakdown figures by process	• list processes used
Assumptions for year 1		•			
2009 (year 2)	(15% of 50 million)	• N/A	• breakdown figures by process	• breakdown figures by process	• list processes used
Assumptions for year 2		•			
2010 (year 3)	(15% of 50 million)	• N/A	• breakdown figures by process	• breakdown figures by process	• list processes used
Assumptions for year 3		•			
2011 (year 4)	(15% of 50 million)	• N/A	• breakdown figures by process	• breakdown figures by process	• list processes used
Assumptions for year 4		•			
2012 (year 5)	(15% of 50 million)	• N/A	• breakdown figures by process	• breakdown figures by process	• list processes used
Assumptions for year 5		•			

2013 (year 6)	(15% of 50 million)	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> breakdown figures by process 	<ul style="list-style-type: none"> breakdown figures by process 	<ul style="list-style-type: none"> list processes used
Assumptions for year 6		<ul style="list-style-type: none"> 			
2014 (year 7)	(15% of 50 million)	<ul style="list-style-type: none"> £12m 	<ul style="list-style-type: none"> breakdown figures by process 	<ul style="list-style-type: none"> breakdown figures by process 	<ul style="list-style-type: none"> Identity and biometric verification
Assumptions for year 7		<ul style="list-style-type: none"> The identity card scheme is now compulsory. Realisation of savings will now commence from this year on until full population coverage. £18m estimated savings assumes a 10% reduction in the existing estimated LTHAW fraud loss through better address matching. Assumes timely updating of address details for claimants when vchange of address occurs. £18m estimate based on previous figure provided for breakdown of £100m overall savings PQ for which there is very limited analytical justification. Ability to carry out bulk data matching with checks on CIS through on line system access by DWP staff. Bimoetric used as part of standard verification process for claiming benefits. Potential £18m total savings estimated, pro rata for this year. 			
2015 (year 8)	(15% of 50 million)	<ul style="list-style-type: none"> £13m 	<ul style="list-style-type: none"> breakdown figures by process 	<ul style="list-style-type: none"> breakdown figures by process 	<ul style="list-style-type: none"> Identity and biometric verification
Assumptions for year 8		<ul style="list-style-type: none"> The identity card scheme is now compulsory. Realisation of savings will now commence from this year on until full population coverage. £18m estimated savings assumes a 10% reduction in the existing estimated LTHAW fraud loss through better address matching. Assumes timely updating of address details for claimants when vchange of address occurs. £18m estimate based on previous figure provided for breakdown of £100m overall savings PQ for which there is very limited analytical justification. Ability to carry out bulk data matching with checks on CIS through on line system access by DWP staff. Bimoetric used as part of standard verification process for claiming benefits. Potential £18m total savings estimated, pro rata for this year 			
2016 (year 9)	(50 million)	<ul style="list-style-type: none"> £15m 	<ul style="list-style-type: none"> breakdown figures by process 	<ul style="list-style-type: none"> breakdown figures by process 	<ul style="list-style-type: none"> Identity and biometric verification
Assumptions for year 9		<ul style="list-style-type: none"> The identity card scheme is now compulsory Realisation of savings will now commence from this year on until full population coverage. £18m estimated savings assumes a 10% reduction in the existing estimated LTHAW fraud loss through better address matching. Assumes timely updating of address details for claimants when vchange of address occurs. £18m estimate based on previous figure provided for breakdown of £100m overall savings PQ for which there is very limited analytical justification. Ability to carry out bulk data matching with checks on CIS through on line system access by DWP staff. Bimoetric used as part of standard verification process for claiming benefits. Potential £18m total savings estimated, pro rata for this year 			
2017 (year 10)	(50 million)	<ul style="list-style-type: none"> £18m 	<ul style="list-style-type: none"> breakdown figures by process 	<ul style="list-style-type: none"> breakdown figures by process 	<ul style="list-style-type: none"> Identity and biometric verification
Assumptions for year 10		<ul style="list-style-type: none"> Full population coverage for identity card scheme so potential £18m savings is now achieved. £18m estimated savings assumes a 10% reduction in the existing estimated LTHAW fraud loss through better address matching. Assumes timely updating of address details for claimants when change of address occurs. £18m estimate based on previous figure provided for breakdown of £100m overall savings PQ for which there is very limited analytical justification. Ability to carry out bulk data matching with checks on CIS through on line system access by 			

	<p>DWP staff.</p> <ul style="list-style-type: none"> Bioetric used as part of standard verification process for claiming benefits.
Sensitivity to results	<p>Highly sensitive since we are assuming that better address data will achieve a reduction in LTAHAW fraud loss but this is hard to justify because of the difficult circumstances surrounding the establishing of such a fraud.</p> <p>There is difficulty in making a link between 'identity' and failure to declare Living Together since it is mainly about failure to report change of circumstances so the £18m figure is likely to be an over-estimate.</p>
Method of calculating benefit	<p>Assumes an exponential rate of achieved savings in the years commencing full compulsion. This is because we are assuming that those committing such fraud would apply for identity cards at the latest opportunity.</p> <p>These figures have been provided by DWP IAD (OR)</p>

Performance Management	
Performance Measure(s)	
Target Performance	
Performance baseline	
Realisation Date(s)	
Measurement Source(s)	
Measurement Frequency	
Measurement Roles	

Hand over arrangements	
<p>The total benefits described above can be considered a realistic appraisal, given the assumptions, and dependencies outlined.</p> <p>Signed Redacted Dated...22 October 2004</p> <p>Insert full name & job titleRedacted</p>	

7.3 NINO Allocation Interview Benefit Profile **(TO BE UPDATED)**

Benefits Identifier	BEN/DWP/3/03	Organisation	Department of Work & Pensions
Option number	N/A		
Design change required (if applicable)	N/A		
Linked Identity Card Strategic Outcome	N/A		
Profile Agreement Date	22/10/04	Profile Last Reviewed	20/1/05

Overarching Strategic Benefit	
Strategic Benefit	Reduce DWP Costs
Strategic Benefit Owner	Redacted

Specific Benefit			
Specific Benefit	Remove the need for an evidence of identity interview for adult NINO allocation from Jobcentre Plus		
Organisational Area	DWP	Benefit Category	Financial (DEL)
Existing or intended identification process (where applicable)	avoid duplication of identity interviews by two Government Departments -improve and streamline customer service and access to benefits -reduce time awaiting NI No allocation -allows one form ID, rationalising and standardising access to Government Services		
Identity documents used	Identity Card		
New identification process using identity card scheme	The HO ID card evidence of identity interview replaces DWP adult NINO evidence of identity interview.		
Explanation of why new process gives rise to benefit	Removes the need for the DWP interview		

Assumptions & Risks		Confidence
Strategy/Projects	Subject to cross-Government agreement that one evidence of identity interview can have a number of outputs, including NINO EOI	75%
Verification Processes	Subject to suitable process to enable transfer of information between HO and DWP	75%
Organisation/ Location		
Data	Assume acceptable exchange of data	75%
Applications		

Technology	Assume technology can cope with data volumes	75%
Legal/ Policy	Subject to changes in primary legislation to require HO registration before NINO registration. Assume legal gateway exists for transfer of information	
Other	Assumes that HO has capacity to deliver the predicted volumes of interviews (and subsequently no backlog accrues). Assumes no priority system in place Assumes technology delivers to timescale and scope	

Dependencies		Confidence
Other Beneficiaries	<ol style="list-style-type: none"> Inland Revenue – will reduce the number of non matching NINOs on systems and improve the collection of NI contributions. All employers – will enable them to update payroll records with correct NINOs quickly. Home Office National Asylum Seeker Service – will replace existing NINO fastpath scheme operated on behalf of DWP 	90% all 3
Strategy/Projects		
Organisation/ Location	Home Office	90%
Systems	DWP Departmental Central Index [DCI] and replacement Customer Information System [CIS]	90%
Biometrics	Does not rely on choice of one biometric over another	90%
Other		

Requirements		
IT Requirements		
Number of readers required (2007/2013)	2007 2008 2009 2010 2011 2012 2013	The IT requirements will revolve around the interface between the Home Office and DWP DCI/CIS. No card readers or biometric equipment needed by DWP to realise these benefits.

Benefit Valuation					
Total Benefits Valuation (after 10 years)			Savings £67m Costs £12m (Total Benefits and cost would be realised from the Departmental Expenditure Limit ((DEL)) budget.		
Year	Take - up	Benefit Valuation	Cost Valuation	Volume of transactions	Verification Processes
2008 (year 1)	(10% of 50 million)	£1,500,000	• 2,340,600	• 130,843	• No verification processes needed for this saving
Assumptions for year 1		• ni no allocation requests rise by 9%			
2009 (year 2)	(15% of 50 million)	£5,6,52,000	• 6,457,800	• 570,476	• list processes used
Assumptions for year 2		• ni no allocation requests rise by 9%			
2010	(15% of 50 million)	£7,536,000	• 2,961,000	• 621,818	• list processes used

(year 3)					
Assumptions for year 3		<ul style="list-style-type: none"> ni no allocation requests rise by 9% 			
2011 (year 4)	(15% of 50 million)	£7,536,000	•	• 677,781	• list processes used
Assumptions for year 4		<ul style="list-style-type: none"> ni no allocation requests rise by 9% 			
2012 (year 5)	(15% of 50 million)	£7,536,000	•	• 738,781	• list processes used
Assumptions for year 5		<ul style="list-style-type: none"> 			
2013 (year 6)	(15% of 50 million)	£7,536,000	•	• 805,271	• list processes used
Assumptions for year 6		<ul style="list-style-type: none"> ni no allocation requests rise by 9% 			
2014 (year 7)	(15% of 50 million)	£7,536,000	•	• 877,745	• list processes used
Assumptions for year 7		<ul style="list-style-type: none"> ni no allocation requests rise by 9% 			
2015 (year 8)	(15% of 50 million)	£7,536,000	•	• 956,742	• list processes used
Assumptions for year 8		<ul style="list-style-type: none"> assume steady state 			
2016 (year 9)	(50 million)	£7,536,000	•	• 956,742	• list processes used
Assumptions for year 9		<ul style="list-style-type: none"> assume steady state 			
2017 (year 10)	(50 million)	£7,536,000	•	• 956,742	• list processes used
Assumptions for year 10		<ul style="list-style-type: none"> assume steady state 			
Sensitivity to results					
Method of calculating benefit		<p>Volumes based on number of NI No allocations for non uk nationals for year 2003/4 with 9% increase anticipated each year. Savings are based on the assumption that the Home Office will complete evidence of identity interview and this will negate the need for an Evidence of Identity Interview by Jobcentre Plus. Costing based on DWP NINO Allocation Project business case with the new operating model being fully implemented by 2006 and the existing similar process for asylum seekers.</p> <ol style="list-style-type: none"> Costs calculated at the full cost to Jobcentre Plus (based on work study report) of delivering Evidence of Identity interviews to Foreign Nationals under the new process. This work will be subject to the same efficiency challenge faced by the organisation to meet headcount targets. Subsequently increased volumes will be an additional pressure on the business and be met by efficiencies and improvements in working practices. Subsequently because the focus of the business is greater efficiency leading to reducing headcount it is highly unlikely that there will be an option to increase staff. Future benefits will therefore not exceed the current resource. To base savings on a unit cost for an Evidence of identity interview would be inappropriate as this assumes that Jobcentre plus will be in a position to recruit staff to the required level to meet the increased volumes and that the unit cost will remain constant. The efficiency challenge will no doubt reduce both within the timeframe. The only impartial costing is to use that stated above. Year 1 assumes 20% of annual volumes (of year 3 full benefits); Year 2 75% of full rollout Year 3 and beyond full rollout and 100% of savings. 			

	<p>Rationale for costs:</p> <p>The reduction in work will lead to a reduction in staff (it is assumed that Jobcentre Plus headcount targets will be reduced because of this work moving out) which brings a cost. Breakdown as 3 above, based on the redundancy figure calculated by Jobcentre Plus HR and used for Jobcentre Plus centralisation project.</p> <p>No costs included for HR services in the implementation of this change. It is assumed that these costs will be included in project costs.</p> <p>Savings in staff salaries have been factored into the overall savings provided as advised by Jobcentre Plus Finance.</p> <p>Figures provided by Jobcentre Plus Finance.</p>
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Performance Management	
Performance Measure(s)	Performance measures will be based on average time to obtain NINO
Target Performance	To be determined
Performance baseline	To allocate 86% of NINO applications in 24 working days
Realisation Date(s)	2007/08
Measurement Source(s)	To be agreed
Measurement Frequency	Ditto
Measurement Roles	Ditto

Hand over arrangements	Assumes HO will have the infrastructure, equipment [including document examination equipment] and appropriately trained staff in place by 2007/08.
<p>The total benefits described above can be considered a realistic appraisal, given the assumptions, and dependencies outlined.</p> <p>Signed... Redacted Dated.....22 October 2004...</p> <p>Insert full name & job title ... Redacted</p>	