

Local authority use of GOV.UK Verify

Discovery case for transforming local
public services using GOV.UK Verify

March 2017

Executive summary

This document is based on our #VerifyLocal Discovery work with local authorities to date and is the first iteration of the case for local authorities to transform their digital services using GOV.UK Verify.

With increasing financial constraints and growing demand for services, there is an urgent need for digital transformation in local authorities. Moreover, billions of pounds are lost annually to fraud. Strong online identity assurance, as provided by GOV.UK Verify, is fundamental to enable safe and secure local digital services.

In this document, we make the case for using GOV.UK Verify alongside other common cross-government components and standards in local authorities transforming local services, such as older person's concessionary travel and residential parking permits, should. This will help local authorities to:

- develop secure, safe, fast and convenient digital services that meet user needs
- reduce the costs of service provision by enabling local authorities to automate business processes and eliminate face-to-face, telephone and paper-based processes
- save local authorities billions from reduced fraud, contract optimisation and delivery of digital services through platforms

About the #VerifyLocal pilots

Since June 2016 the Government Digital Service (GDS) has been running pilot projects to transform local services with GOV.UK Verify. This includes two collaborative pilots for the [older person's concessionary travel](#) and [residential parking permits](#) as well as a pilot with Warwickshire County Council for the [Blue Badge renewal process](#).

The two collaborative pilots are run in an agile and open way, in partnership with local authorities. The pilots aim to develop working examples of end-to-end digital local services, integrated with a secure online identity assurance through GOV.UK Verify (and other common components) and based on common open standards, such as the GDS' [Digital Service Standard](#).

This Discovery transformation case is part of the products that the two collaborative pilots will produce. It is developed based on sector analysis and data on the benefits of identity assurance, common platforms and standards.

Local authority context

Local authorities have reported a number of challenges, in particular:

Budget pressures and increased demand for services

Local authorities have had a 25% real-terms reduction of their income between 2010-11 and 2015-16¹. Simultaneously, due to demographic and social pressures there is an increasing demand for many local public services.

Fraud and security risks

Service provision is also threatened by a significant potential for fraud and identity crime. The National Fraud Authority estimated that local government fraud costs £2.1bn a year. Identity crime accounts for over 60% of all fraud². Potential theft of citizen data from local authorities also enables crimes against government and the rest of the economy.

Complex and costly service provision

At the moment, local authorities have to visually review and manually type in identity and eligibility information in order to provide many services. This costs millions in staff time, in the secure storage of personal documents, and in re-familiarising themselves with cases that are half complete when additional data gets submitted. In addition, most local authorities use a range of different software that does not join up automatically, so re-keying of data or staff intervention of some kind is required.

¹ [National Audit Office Sept. 2016](#)

² [National Fraud Authority 2013](#)

For users, the application processes are often lengthy and complex. Users are required to prove their identity and eligibility through a range of physical documentation that they have to post, scan and upload, or bring into authorities' offices. Applications for services are often rejected on the basis of incomplete or incorrectly processed information.

These complexities and time delays in applications often cause unnecessary phone and post contact to chase applications, which takes users' time and costs local authorities staff time in case management.

Digital transformation and channel shift are fundamental to address these challenges and deliver efficiency savings. Strong online identity assurance is important for enabling online services safely and securely, and achieving the channel-shift strategy.

The need for identity assurance in local government

To make services digital by default in a safe, trusted way, local authorities need to be able to verify that a person accessing a digital service is who they say they are.

Making digital services available without adequate identity assurance runs the risk of personal data being leaked and services being defrauded. We estimate that there are between 100-200 local services, which require a strong level of assurance and need to adopt GOV.UK Verify. Existing methods that local authorities use for people to prove their identity to LOA2 would not allow online real time data exchange of: personal data or financially valuable services.

Defining levels of assurance

National Cyber Security Centre (NCSC) sets national standards for identity assurance in online public services. Senior risk owners for each service are responsible for determining the level of risk attached to each service and therefore what level of identity assurance is required, selecting from 4 defined levels of assurance.

More complex and risky transactions that reveal personal data, allow people to change their records or to claim money and services will require level of assurance 2 (LOA2) identity assurance. The table below shows the level of validation each level of assurance provides³.

³ The levels of assurance are set out in [Requirements for Secure Delivery of Online Public Services \(RSOPS\)](#)

Level of assurance	Evidence and Verification	Claimed Identity	User ID and relationship to claimed Identity
Level 1	No identity evidence required, link to user made via knowledge	ID checked as not deceased	Low level confidence is given that the user is owner of the claimed identity
Level 2	Valid evidence shows ID exists and is linked to user	ID checked as relating to a real living person with history	User is, on the balance of probabilities, the owner of claimed identity
Level 3	Valid evidence shows ID exists and is physically linked to user	ID thoroughly checked as relating to real living person with history	User is, beyond reasonable doubt, the owner of claimed identity
Level 4	Additional checks performed on top of Level 3 to reduce likelihood of impersonation or fabrication		User is, beyond reasonable doubt, owner of claimed identity and is biometrically linked to it

Table 1: Levels of assurance and validation

The case for digital transformation

There is a compelling case for local authorities to adopt common standards and transform services using reusable platform components, such as the secure online identity assurance through GOV.UK Verify.

Common standards and components

Using common reusable components has the following advantages:

- 1. No need to rebuild solutions** - This enables local authorities to focus on more innovation in service design.
- 2. Wider cost savings** - The economies of scale from common components make services cheaper and easier to run across the public sector than if each organisation ran a service. This allows local authorities to channel resources

to address their specific needs and problems, adding value in services that are unique to them.

3. **Collective bargaining power** - Aggregating public sector demand when buying from the market will mean a better deal for the taxpayer
4. **Makes it cheaper to move between solutions** - In conjunction with the use of procurement frameworks such as Digital Marketplace and G-Cloud, use of common open standards, assurance and components enables a more flexible approach to procurement. This lowers the barriers to 'moving between suppliers' and allows to switch from underperforming contracts⁴. Introducing better controls and optimised contract management on third parties spend can achieve reductions of up to 5% of savings in local authorities expenditure⁵. Standards can also enable new partnerships and business models to increase efficiency of spending and service delivery.

Using common components and standards could offer a large number of benefits to local authorities and their residents.

Case study: How savings were delivered in central government

We can look at the figures from central government as an example of how the use of common platform components and standards, as well as the more optimised IT procurement, has delivered billions in savings:

- £111.44 million National Audit Office (NAO) approved savings through GOV.UK Verify
- £182 million from improving the way departments purchase common goods and services, encouraging collaboration to achieve better value for money in 2015/16⁶
- £339 million through GDS setting standards and providing assurance in 2015/16 (see table below)⁷
- £10 billion per year from more optimised procurement, switching to platform delivery and reducing IT spend in 2012/3⁸

In particular, the following savings have been realised as a result of GDS' work:

	12/13 (£'m)	13/14 (£'m)	14/15 (£'m)	15/16 (£'m)

⁴ [Local Digital Coalition report on common standards 2016](#)

⁵ CIPFA

⁶ [GOV.UK Efficiency Savings](#) 2015/6

⁷ [GOV.UK Efficiency Savings](#) 2015/6

⁸ [GOV.UK Efficiency report 2012/3](#)

GDS savings	491.7	326	600	339
GDS Controls	365	91	391	339
GDS Transformation		119	105	-
GDS - PSN Savings	126.7	116	103	-
Digital transformation savings	882.7	978	1724.9	-
Technology and digital framework savings (including G-Cloud)	-	214.4	602	-
Commercial savings on digital and technology	391	437.5	522.9	-

The case for local authorities

A secure online identity through GOV.UK Verify, alongside other common platform components and standards, is an enabler for large-scale savings in local authorities and a successful and sustainable digital shift.

We identify the following potential benefits of transforming local authority services through GOV.UK Verify:

Benefits for users

A. Makes services more convenient, faster and responsive

It saves users time and effort, including gathering of physical identity documentation and eligibility checks. It also saves residents money from postage, calls or travel costs going to local authority offices.

B. Enables 24/7 availability

A fully automated digital process allows for resilience and availability, so that the user can access the service at a time when it's convenient for them.

C. Protects privacy and ensures trust

GOV.UK Verify gives citizens confidence that their personal data is secure and being used in ways they expect. Privacy is at the heart of the service design of Verify⁹. It reduces the risk of identity fraud and personal data loss from the service.

⁹ [GOV.UK Verify blog](#)

Benefits for local authorities

A. Reduces IT spend

We estimate that transforming local services using common platform components (such as GOV.UK Verify and Notify) as well as based on common standards could save the sector between £300 to £500 million annually. We estimate that if an average local authority¹⁰ adopted the above approach, it could achieve savings of £50 million to £80 million over 10 years on IT spend alone. This does not include savings from reduced fraud and improved business processes (see below).

B. Minimises and prevents fraud

GOV.UK Verify addresses and minimises the £2.1 billion fraud problem for local authorities.

C. Improves business processes and cuts costs

GOV.UK Verify enables real time digital services that automate currently manual business processes. This includes the following:

Reduced offline processes - Online identity assurance through GOV.UK Verify, alongside other common components reduces the need for manual rekeying and interventions, offline processing, and complex back-office integration processes, thereby reduce operational costs and technical costs

Avoided contact and time taken from service staff - Using common components and standards that fit the whole sector enables end-to-end digital transformation and lead to greater digital uptake and user satisfaction with reduced number of user contact, enquiries and complaints. This allows staff to focus on developing and offering unique, value-adding services to residents.

Reduced collection, processing and storage of data - Currently, many local authorities collect evidence of identity and eligibility documents using long, insecure processes. This includes collecting paper forms from customer service locations with vans, storing in cupboards, scanning and manually processing, before shredding evidence or sending back to the user. This process is not only costly and results in great backlogs, but also poses a significant risk to how personal data is handled.

Trust in identity enables automation of eligibility checking - Having an identity assured at LOA2 enables wider strategic transformation and automation of local services through consent-driven personal data exchange. Having a verified identity that is trusted by both local authorities and central government enables the transfer of personal data between organisations with

¹⁰ For a local authority that has: £742 spend per person on service delivery ([Institute for Fiscal Studies 2015](#)) and 10% of that is spent on IT (including staff); an average population of 880,000 residents (based on publicly available data for all English local authorities).

the user's consent. This saves the user having to gather the information themselves from the separate organisations then sending through a pack to prove their eligibility for a service. For local authorities this could unlock millions in annual savings, including estimated¹¹:

- £51.6 million for single person council tax discounts
- £13.2 million from digital adult social care means testing assessments
- £12 million for Blue Badges
- £8 million from services dependent on DVLA data

Benefits of the #VerifyLocal pilots

For local authorities participating in the two #VerifyLocal collaborative pilots, the benefits include:

- saved resources by having shared user research and resources throughout the pilot collaboration
- support with the integration and onboarding process from GDS
- development of a reusable model for the integration of GOV.UK Verify into other services

What next?

This is the first iteration of the case for GOV.UK Verify use in local government and has outlined the vision. We are using the pilots to inform our future policy and to collate the benefits of using GOV.UK Verify for local authorities.

The #VerifyLocal pilots are now in Alpha phase until the end of April 2017. In private beta, starting in May 2017, pilot participants will integrate and connect their services with GOV.UK Verify. Following the private beta, we will evaluate the process and our assumptions to inform future scaling of GOV.UK Verify into local government.

The benefits from the secure digitisation of local authority services will be realised and owned within local authorities. If the pilots are successful, the #VerifyLocal team aims to develop and enable a sustainable approach for connecting at scale local authority services with identity assurance need.

We will publish an updated iteration of the case for transforming local public services using GOV.UK Verify after we have collected and evaluated data from local authorities. As part of the pilot evaluation phase, we will publish a final case for local authority use of GOV.UK Verify.

¹¹ [DCLG research March 2016](#)