

Assessment of Impacts Related to the Immigration and Nationality Fees Regulations 2017

1. The IA accompanying the 2016 Immigration and Nationality Fees Order and Regulations outlined the Government's estimate of the impacts associated with granting the Government the power to set fee levels within strict maxima set out in the Order itself. The IA estimated the Net Present Value to the UK resident population of changing these fees across a range of different scenarios.
2. The Immigration and Nationality (Fees) (Amendment) Order 2017 made no changes to maxima that were set out in the 2016 order and no Impact Assessment accompanied it. The NPV and the IA ranges were not changed.
3. The IA's central scenario outlined the estimated impacts associated with the Home Office's indicative assumptions at that time about each year's fee increases over the 4 year life of the 2016 Order.
4. The Immigration and Nationality (Fees) Regulations 2016 set the fees for the 2016-17 financial year at the same levels as assumed in the IA. Option 2 of the Impact Assessment assessed the value to the UK resident population of setting the fees at their expected levels to be £436.3m Net Present Value over a 5 year period.
5. Immigration and Nationality fees are subject to annual review, including with Other Government Departments, and some subsequent changes have been made to individual fee levels to the indicative changes set out in the IA. All fee levels for 2017-18 have recently been agreed with other government departments and are set out in the Immigration (Fees) Regulations 2017. All fees remain within the framework set out in the 2016 Fees Order, which was approved by Parliament.
6. Taking into account the actual changes that the regulations state, this would have changed the Net Present Value of the Impact Assessment by -£20.6m in the central scenario. That is, the actual fee increase had a lower net benefit to the UK than calculated and presented in the IA. However, the overall Net Present Value would have been approximately £415.6m over the five year period. These changes have only a marginal impact on the overall economic merits of the overall Immigration and Nationality Order.
7. More specifically, the difference associated with the actual and assumed fee increases is set out in table 2 below. The full methodology and assumptions that are used for these calculations are set out in the IA's central scenario. The IA can be found via the following link: http://www.legislation.gov.uk/ukia/2016/10/pdfs/ukia_20160010_en.pdf

Table B: Change in the Expect Value Associated with the fees under consideration

Change in Present Values	2016/17	2017/18	2018/19	2019/20	2020/21	NPV
Benefits						
Net Revenue raised from fee changes for those who continue to apply	-	-£6.1m	-£5.4m	-£4.7m	-£4.5m	-£20.7m
Saving to UKVI from processing fewer applications	-	-£0.0m	£0.0m	£0.0m	£0.0m	£0.0m
Saving to educational institutions due to lower tuition costs	-	-	-	-	-	-
Savings to UK due to lower public service provision	-	-£0.5m	-£0.5m	-£0.3m	-£0.2m	-£1.5m
Increased employment opportunities for UK residents	-	-£0.0m	-£0.0m	-£0.0m	-£0.0m	-£0.0m
Total change to benefits (PV)	-	-£6.6m	-£5.9m	-£5.0m	-£4.7m	-£22.2m
Costs						
Loss of revenue from fewer applications as a result of the fee change	-	-£0.0m	-£0.0m	-£0.0m	-£0.0m	-£0.1m
Exchequer loss from reduction in migrants coming to and remaining in the UK	-	-£0.5m	-£0.4m	-£0.3m	-£0.2m	-£1.4m
Lower Revenue from the Immigration Health Surcharge	-	-£0.0m	-£0.0m	-£0.0m	-£0.0m	-£0.0m
Total change in costs (PV)	-	-£0.5m	-£0.5m	-£0.4m	-£0.2m	-£1.6m
Change in net benefit (PV)	-	-£6.1m	-£5.4m	-£4.6m	-£4.5m	-£20.6m