

Title: Impact Assessment for the Legislative Reform Order to make changes to the British Nationality Act 1981, in order to centralise the FCO's consular birth and death registration service. IA No: Lead department or agency: Foreign and Commonwealth Office Other departments or agencies: UKBA, Home Office	Impact Assessment (IA)		
	Date: 24/06/2013		
	Stage: Consultation		
	Source of intervention: Domestic		
	Type of measure: Secondary legislation		
Contact for enquiries: David Pert, Foreign and Commonwealth Office. 020 7008 0224			

Summary: Intervention and Options	RPC Opinion: RPC Opinion Status
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Cost of Preferred (or more likely) Option			
Total Net Present Value	Business Net Present Value	Net cost to business per year (EANCB on 2009 prices)	In scope of One-In, Two-Out? Measure qualifies as
£0.8m	N/A	N/A	No NA

What is the problem under consideration? Why is government intervention necessary?

The FCO is losing its nationality determination expertise in its overseas network, as its passport issuing service is being repatriated to the UK. This is an important part of the FCO's service to register births/deaths of British nationals overseas. The FCO has considered a number of options to address this problem, and to modernise the service it provides in 130 of its missions to British nationals overseas.

What are the policy objectives and the intended effects?

The policy objective is to discontinue consular registrations of births and deaths overseas by individual British Consulates, and establish a single specialist unit in the UK to register births and deaths centrally. This would allow the FCO to better manage risks, ensure consistent quality control, develop online birth and death registration forms and a computerised registration system, and reduce costs associated with this service.

What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence Base)

Option 1: The preferred option is to centralise consular birth and death registration in the UK. This option requires amending the BNA through a Legislative Reform Order.

Option 2: Do nothing and maintain the current registration service. This does not address the growing risk of erroneous nationality determinations being made.

Option 3: Registration decisions to be made centrally in the UK, and register entries to be made by British Consulates overseas. This would be administratively unwieldy and could delay processing times.

Option 4: Stop providing a consular birth and death registration service. This would cause an inconvenience for British Nationals overseas who would no longer have the option of a British-style birth or death certificate.

Will the policy be reviewed? It will be reviewed. If applicable, set review date: 04/2017					
Does implementation go beyond minimum EU requirements?				N/A	
Are any of these organisations in scope? If Micros not exempted set out reason in Evidence Base.		Micro No	< 20 No	Small No	Medium No
What is the CO ₂ equivalent change in greenhouse gas emissions? (Million tonnes CO ₂ equivalent)				Traded: N/A	Non-traded: N/A

I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.

Signed by the responsible SELECT SIGNATORY: Mark Simmonds Date: 25 June 2013

Summary: Analysis & Evidence

Policy Option 1

Description: Centralise FCO's consular birth and death registration service.

FULL ECONOMIC ASSESSMENT

Price Base Year 2013	PV Base Year 2013	Time Period Years 5	Net Benefit (Present Value (PV)) (£m)		
			Low: Optional	High: Optional	Best Estimate:

COSTS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	Optional	Optional	Optional
High	Optional	Optional	Optional
Best Estimate	0.05	0	0.05

Description and scale of key monetised costs by 'main affected groups'

Set up costs of a small centralised birth and death registration unit would be £50,000, mainly office, IT and equipment costs. Annual running costs would be £188,500 (mainly staff costs), compared to current annual running costs of £985,000. In particular, we would save around £245,000 per year on nationality training costs for staff around the global consular network of 130 Consulates which currently register births and deaths.

Other key non-monetised costs by 'main affected groups'

None anticipated.

BENEFITS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	Optional	Optional	Optional
High	Optional	Optional	Optional
Best Estimate	0.75	0.8	0.8

Description and scale of key monetised benefits by 'main affected groups'

Non anticipated.

Other key non-monetised benefits by 'main affected groups'

Significantly reduce the risk of making wrong nationality determinations. Improved management and consistent quality control of the service. More detailed and accurate management information to allow consideration of reducing fees to the customer in future years. Free up consular staff to focus on more urgent assistance work for British nationals overseas. Improve FCO compliance with legal requirements to send annual returns and copies of registrations to General Registry Offices

Key assumptions/sensitivities/risks	Discount rate (%)	3.5
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A common registration application system for British nationals, no matter where they are overseas, would make the process simpler globally and benefit users. Moving to an online system is in line with HMG's Digital by Default Strategy. A small percentage of customers may not have internet access due to their location overseas. FCO will ensure that procedures are in place to handle these exceptional cases.

BUSINESS ASSESSMENT (Option 1)

Direct impact on business (Equivalent Annual) £m:	In scope of OITO?	Measure qualifies as
Costs: 0.05	No	NA
Benefits: 0.8		
Net: -0.75		

Summary: Analysis & Evidence

Policy Option 2

Description: Do nothing - keep the status quo.

FULL ECONOMIC ASSESSMENT

Price Base Year 2013	PV Base Year 2013	Time Period Years	Net Benefit (Present Value (PV)) (£m)		
			Low: Optional	High: Optional	Best Estimate: 0

COSTS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	Optional	Optional	Optional
High	Optional	Optional	Optional
Best Estimate	0	0	0

Description and scale of key monetised costs by 'main affected groups'

Do nothing - keep the status quo. No key monetised costs at this stage, although a significant training programme would be needed to ensure that overseas staff were able to make nationality determinations. In due course we would consider whether to increase fees to cover training and other back-office costs.

Other key non-monetised costs by 'main affected groups'

Non anticipated.

BENEFITS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	Optional	Optional	Optional
High	Optional	Optional	Optional
Best Estimate	0	0	0

Description and scale of key monetised benefits by 'main affected groups'

Non anticipated.

Other key non-monetised benefits by 'main affected groups'

Customers may welcome continuation of a local rather than centralised service. Ideally we would still want to develop a partially online application process to make some improvements to the efficiency of the service.

Key assumptions/sensitivities/risks

Discount rate (%) 3.5

This option does not address the risk of erroneous registrations being made, potentially leading to passports being issued to non-entitled people.

BUSINESS ASSESSMENT (Option 2)

Direct impact on business (Equivalent Annual) £m:			In scope of OIOO?	Measure qualifies as
Costs: 0	Benefits: 0	Net: 0	No	NA

Summary: Analysis & Evidence

Policy Option 3

Description: London to provide nationality determinations and overseas posts to make register entries.

FULL ECONOMIC ASSESSMENT

Price Base Year 2013	PV Base Year 2013	Time Period Years 5	Net Benefit (Present Value (PV)) (£m)		
			Low: Optional	High: Optional	Best Estimate: 0.28

COSTS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	Optional	Optional	Optional
High	Optional	Optional	Optional
Best Estimate	0.24	0.19	0.24

Description and scale of key monetised costs by 'main affected groups'

Set up costs of a small centralised birth and death registration unit would be £50,000, mainly office, IT and equipment costs. Annual running costs would be £188,500, mainly staff salaries. We may be able to reduce these costs as fewer staff may be needed if the unit only made nationality determinations. This option would not allow the FCO to make efficiency savings by centralisation.

Other key non-monetised costs by 'main affected groups'

This option would be administratively unwieldy and could lead to a delay in processing times as decisions and documents would need to flow through teams both in the UK and in overseas posts.

BENEFITS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	Optional	Optional	Optional
High	Optional	Optional	Optional
Best Estimate	0	0	0

Description and scale of key monetised benefits by 'main affected groups'

Non anticipated.

Other key non-monetised benefits by 'main affected groups'

Some customers would welcome the continuation of a local service. There would be no need to change legislation. Centralising nationality expertise in the UK would better manage risks.

Key assumptions/sensitivities/risks

Delay in processing times for customers, and the most costly option.

Discount rate (%)

3.5

BUSINESS ASSESSMENT (Option 3)

Direct impact on business (Equivalent Annual) £m:	In scope of OIOO?	Measure qualifies as
Costs: 0.24	No	NA
Benefits: 0		
Net: 0.24		

Summary: Analysis & Evidence

Policy Option 4

Description: Stop providing a registration service.

FULL ECONOMIC ASSESSMENT

Price Base Year 2013	PV Base Year 2013	Time Period Years 5	Net Benefit (Present Value (PV)) (£m)		
			Low: Optional	High: Optional	Best Estimate: 0.99

COSTS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	Optional	Optional	Optional
High	Optional	Optional	Optional
Best Estimate	1.24	1.24	1.24

Description and scale of key monetised costs by 'main affected groups'

Income from registration fees of approximately £1.24m per annum would be lost.

Other key non-monetised costs by 'main affected groups'

Consular birth/death certificates are not a legal requirement, but in order to stop the service we would still need to amend secondary legislation. In theory local certificates are adequate for British nationals abroad. But there are situations in which a consular registration has a value, e.g. to demonstrate a British connection. An English language document is also much easier to use as proof of identity on return to the UK than a local certificate.

BENEFITS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	Optional	Optional	Optional
High	Optional	Optional	Optional
Best Estimate	0.25	0.25	0.25

Description and scale of key monetised benefits by 'main affected groups'

The FCO's consular birth and death registration service costs approximately £985,000 each year to run. However, apart from around £245,000 for nationality training for staff in the global network (mainly travel/accommodation costs to attend courses), these savings are unlikely to translate into direct savings as most FCO staff involved in registrations are not employed full time in this work. Time freed up would allow staff to focus on more front line consular assistance work.

Other key non-monetised benefits by 'main affected groups'

FCO consular staff would be freed from the labour-intensive process of registering consular births and deaths, and be able to focus more on the FCO's consular priority of assisting British nationals in distress overseas.

Key assumptions/sensitivities/risks

Discontinuing this service would prove unpopular with many British nationals overseas, and could result in difficulties for British nationals in certain countries.

Discount rate (%) 3.5

BUSINESS ASSESSMENT (Option 4)

Direct impact on business (Equivalent Annual) £m:			In scope of OIOO?	Measure qualifies as
Costs: 1.24	Benefits: 0.25	Net: 0.99	No	NA

1. Problem under consideration and rationale for intervention

1.1 Current regulations oblige the FCO to register births and deaths overseas of qualified British nationals when asked. There are differing procedures for British Nationals wishing to register a consular birth and death, depending on the country where the event took place. Most can be registered in the country where the event took place, and registrations are made locally in 130 overseas consular Posts. However, next of kin resident in the UK or in another country may apply directly to the FCO in London or to their nearest British Embassy or High Commission for such registration who then forward the application to the Embassy or High Commission in the country where the event took place. Additionally, the FCO in London registers events that take place in 25 difficult countries where the UK either has no diplomatic representation or where there are no Consular Registration Officers (examples include East Timor, Liberia, Somalia, and Taiwan).

1.2 Applications for birth or death registration overseas cannot yet be made on-line and currently services provided overseas have to be paid for in the local currency.

1.3 In order to determine whether to process a consular birth application, staff need to establish beyond doubt, by assessing the documentary evidence provided with the application, that the applicant does qualify for British nationality. This is a complex area, and only trained and qualified staff can make this decision. With the centralisation of the overseas passport issuing service from the consulate network around the globe to the UK, FCO staff are losing experience in determining whether someone qualifies for British nationality, and there is an increasing risk that an incorrect decision may be made. An incorrect nationality determination could subsequently lead to a British passport being issued in error.

1.4 Centralisation of consular birth and death registration in the UK would allow the FCO to provide a common on-line application procedure and credit card payment facility which the FCO considers would be more efficient and convenient for customers.

1.5 Birth and death registration overseas is a labour intensive process. Designated staff must make complicated nationality determinations, and make entries in manuscript in ledgers. Certified copies are either handwritten or typed. This administrative work detracts from FCO consular staff time whose primary function is to assist British Nationals in distress. A single purpose unit in the UK would mean a more convenient and efficient system to provide an important service for British Nationals.

1.6 A central unit with suitably trained and qualified staff, handling all applications from British Nationals overseas, would reduce this risk to customers. It would also ensure that a consistent service is provided in regards to: determining British nationality through a well-trained, properly managed and stable central unit; producing high-quality registration certificates, both for record purposes and for British Nationals; ensuring that annual returns are sent to the GRO (General Register Office) England and Wales in time; maintaining a central record of consular birth and death registrations by secure storage in a single location.

1.7 A smaller, central unit with specialised staff based in the UK, handling all applications from British Nationals overseas and in the UK, would take over from the current service provided by FCO overseas Posts. This would provide an efficient and coherent global service for British Nationals.

1.8 A centralised computer system would also make it simpler for searches to be made for overseas births and deaths. This search facility would provide a more convenient and efficient way for staff to conduct searches when requested, e.g. by families or solicitors.

2. Policy objective

2.1 The policy objective is to reduce the risk of erroneous nationality determinations by FCO consular staff overseas when registering consular births, and to modernise the way the FCO registers consular births and deaths to provide an efficient and consistent service to customers.

3. Options considered

Option 1 – centralise birth and death registration in the UK

3.1 The most straightforward way to continue the service but improve risk management and efficiency would be to stop making registrations overseas and repatriate the work to the UK.

3.2 Applicants would send the necessary documents direct to the UK for processing by a small nationality-trained team, which would then complete the registration and courier the certificate to the customer. We would aim to put part of the application process online but it is unlikely the entire process could be digital because of the need to examine original documents. We believe that customers will welcome the option of applying without having to visit a consulate; a smaller proportion will probably miss the face to face service and may complain.

3.3 Centralising would give us much greater visibility of our costs and ought to yield efficiencies that we can pass on to customers by reducing fees over time. Some customers would wait longer for their registrations, though in some regions they already have to wait for appointments at our consulates. However, registrations are optional and in most cases will not be urgent from the customers' perspective. We would nonetheless work to make the new process speedy and offer a "fast track" service for those in urgent need. In order to further reduce risk, we would strongly encourage all applicants to apply for a full validity passport *before* applying for Consular birth registration: this would ensure HM Passport Office made the nationality determination themselves.

3.4 Our judgment is that these are reasonable adjustments that will enable us to provide an ongoing service whilst managing risks and improving efficiencies, which most customers will accept if explained well to them. This is the FCO's recommended option, approved by the Foreign Secretary. It requires amending the BNA. Section 41 of the BNA provides for regulations to be made enabling births and deaths overseas to be registered. The relevant regulations are the Registration of Overseas Births and Deaths Regulations 1982 ("1982 Regulations"). Section 41 (1)(g) to (i) of the BNA limits the regulation-making power in such a way that registration must be done overseas. In order to establish a central unit in the UK, and reduce the administrative inconvenience and increase the efficiency of the registration service, both the BNA and the 1982 Regulations require amending.

Option 2 – Do nothing – keep the status quo

3.5 This is the easiest option, and customers may welcome a local rather than centralised service. However, staff throughout the FCO network would need to maintain their nationality decision-making experience. This option does not address the risks of erroneous registrations being made, potentially leading to passports being issued to people who are not entitled to one.

Option 3 – London to provide nationality determinations and overseas posts to make register entries

3.6 Posts would receive applications, and send them to a nationality trained team in the UK to make decisions, leaving Posts to make the entries in consular registers and provide certificates to customers in person. Some customers would welcome the continuation of a local service. There would be no need to change the legislation; and this would still manage risks better by centralising nationality expertise in the UK team. But it would be administratively unwieldy and could lead to a delay in processing times as decisions and documents would need to flow through teams in both the UK and Posts. It would not allow the FCO to make efficiency savings through centralisation nor would it provide full visibility of costs, making it more difficult for the FCO to ensure its fees covered true costs of the service.

Option 4 – stop providing a registration service

3.7 We could legislate to remove FCO's powers to provide registrations, by repealing the FCO's regulations through secondary legislation. In theory, local certificates provide all the evidence British nationals overseas need to go about daily life. But there are situations in which a consular registration has a value, e.g. to demonstrate a British connection in countries like China where dual nationality is illegal so individuals do not want to hold two passports, or confirmation of a preferential British nationality status for the children of Crown Servants born overseas. An English language document is also much easier to use as proof of identity on return to the UK than a local certificate. Notwithstanding our objective of focussing resources more heavily on the vulnerable, we therefore judge that ending the service would cause too great an inconvenience for British nationals overseas.

4. Cost and benefits

Sectors and Groups affected

4.1 The proposed measure will affect British nationals wishing to have a consular registration of a birth or death overseas.

Costs

Option 1 – centralise birth and death registration in the UK

4.2 It will cost approximately £50,000 to set up the new centralised unit, mainly for office, IT and equipment costs. These costs will be covered by the FCO using internal resources.

4.3 The FCO's current consular birth and death registration system costs around £985,000 each year to run, with the service provided in 130 countries. Annual running costs for a central unit would be around £188,500, mainly in terms of staff salaries and training, so this option would save around £796,500 per annum. In particular, approximately £245,000 per year will be saved on nationality training for staff around the consular global network (this figure is included in the current total running costs of £985,000). However, these savings would not necessarily translate into direct savings in terms of salary costs as most FCO staff involved in registrations are not employed full time in this work. Time freed up would instead allow the FCO to transfer more staff from registration work into front line consular assistance case work.

4.4 British Embassies and High Commissions charge a statutory fee of £105 to register a birth or death and an additional £65 for each certified copy. This compares with local authorities in the UK who provide the registration free and charge variable costs up to £20 for certified copies. There may be an additional increase in customer costs to cover postal/courier fees. However, centralisation in the UK would allow the FCO to investigate adjusting the cost of the service in future years, with the aim of reducing the cost to customers.

4.5 No additional costs will be required for the LRO process.

Option 2 – Do nothing – keep the status quo

4.6 A significant training programme would be needed to ensure that consular staff at posts were equipped to make nationality judgments. In due course, we would consider increasing fees to cover training costs and other back-office costs that are currently not fully reflected in the fees.

Option 3 – London to provide nationality determinations and overseas posts to make register entries

4.7 As in Option 1, it would cost around £50,000 to set up a new centralised unit, with annual running costs of around £188,500 per annum. We may be able to reduce these costs as fewer staff may be required in the unit than in Option 1, although we would review once we had a clearer idea of demand for this service. There may be an additional increase in customer costs to cover postal/courier fees.

Option 4 – stop providing a registration service

4.8 There will be no increase in costs. We estimate that the current consular birth and death registration system costs in the region of £985,000 each year to run. Income from registration fees, which is approximately £1.24 million per annum, would be lost.

Benefits

Option 1 – centralise birth and death registration in the UK

4.9 Customers would be able to apply and pay for a registration online. This would be more efficient and convenient for customers.

4.10 Birth and death registration overseas is a labour intensive process. Designated staff must make complicated nationality determinations, and make entries in manuscript in ledgers. Certified copies are either handwritten or typed. This administrative work detracts from FCO consular staff time whose primary function is to assist British Nationals in distress. A single purpose unit in the UK would mean a more convenient and efficient system to provide an important service for British Nationals.

4.11 In order to determine whether to process a consular birth application, staff need to establish beyond doubt, by assessing the documentary evidence provided with the application, that the applicant does qualify for British nationality. This is a complex area, and only trained and qualified staff can make this decision. With the centralisation of the overseas passport issuing service from the consulate network around the globe to the UK, FCO staff are losing experience in determining whether someone qualifies for British nationality, and there is an increasing risk that an incorrect decision may be made. An incorrect nationality determination could subsequently lead to a British passport being issued in error.

4.12 A central unit with suitably trained and qualified staff, handling all applications from British Nationals overseas, would reduce this risk to customers. It would also ensure that a consistent service is provided in regards to: determining British nationality through a well-trained, properly managed and stable central unit; producing high-quality registration certificates, both for record purposes and for British Nationals; ensuring that annual returns are sent to the GRO (General Register Office) England and Wales in time; maintaining a central record of consular birth and death registrations by secure storage in a single location.

4.13 A smaller, central unit with specialised staff based in the UK, handling all applications from British Nationals overseas and in the UK, would take over from the current service provided by FCO overseas Posts. This would provide an efficient and coherent global service for British Nationals.

4.14 A centralised computer system would also make it simpler for searches to be made for overseas births and deaths. This search facility would provide a more convenient and efficient way for staff to conduct searches when requested, e.g. by families or solicitors.

Option 2 – Do nothing – keep the status quo

4.15 Customers may welcome a local service, rather than a centralised one. Ideally, we would also still want to develop a partially-online application process to make some improvements in the efficiency of the process.

Option 3 – London to provide nationality determinations and overseas posts to make register entries

4.16 Some customers would welcome the continuation of a local service; there would be no need to change the legislation; and this would still manage risks better by centralising nationality expertise in the UK team. But it would be administratively unwieldy and could lead to a delay in processing times as decisions and documents would need to flow through teams in both the UK and Posts.

Option 4 – stop providing a registration service

4.17 Birth and death registration overseas is a labour intensive process. Designated staff must make complicated nationality determinations, and make entries in manuscript in ledgers. Certified copies are either handwritten or typed. This administrative work detracts from FCO consular staff time whose primary function is to assist British Nationals in distress.

5. Risks and assumptions

5.1 Despite our best efforts to balance customer needs against management of risk and ensure efficiencies that allow us to focus more effort on the most vulnerable, it is inevitable that some customers will complain about changes to services. We do not expect significant parliamentary controversy or UK media criticism over most of the changes we are recommending but some criticism is inevitable in newspapers serving British communities overseas. We will mitigate this by ensuring that all changes are

accompanied by a global and local communications strategy to ensure that our own staff, customers and host governments understand and (as far as possible) accept the changes.

5.2 There are various other risks that could hamper implementation: legislative delays, unforeseen practical obstacles with repatriation or IT constraints limiting our ambition to put elements of these processes online. We expect these to be manageable but would resubmit to Ministers if significant obstacles arose that would impact significantly on costs or customers.

6. Wider Impacts

Economic/financial

6.1 This proposal will not impact on the market, or consumers/businesses.

Social

6.2 There are no social impacts to this proposal. There are no human rights impacts. British Nationals residing overseas will still need to obtain local birth/death certificates, and will continue to be able to apply for consular registration of births/deaths.

Environmental

6.3 There are no environmental impacts to this proposal, and it will not lead to change in the emission of Greenhouse Gases.

7. Summary and Preferred Option

7.1 There is a clear case to centralise the FCO's birth and death registration service to a single unit in the UK. To allow for this, the British Nationality Act 1981 requires a minor amendment, and the LRO process would be the most effective way to achieve this. The preferred option is therefore option 1.

8. Description of Implementation Plan and Monitoring

8.1 The proposed implementation date to open the new central Registration Unit is April 2014. We require BNA 1981 to be amended in order for the FCO to amend its regulations ahead of this date. This would allow the FCO to subsequently amend Registration of Overseas Births and Deaths Regulations 1982. We propose to amend the BNA by means of a LRO under sections 1 and 2 of the Legislative and Regulatory Reform Act 2006.

8.2 The FCO will be fully responsible for the establishment of the central Registration Unit. Staff will be recruited from the FCO's internal pool of staff, and the FCO will be responsible for initial training of staff, including nationality training.

8.3 The FCO's Overseas Residents Services Unit (ORSU), part of the FCO's Consular Directorate, will be responsible for monitoring the performance of the Registration Unit once established, and will assess the possibility of reducing fees for customers ahead of FY 2015/16.