Joint briefing: fee increases for Home Office immigration and nationality applications

October 2023

Who we are

We are writing as a group of organisations working on migrants' rights and migration issues, to provide evidence for the Secondary Legislation Scrutiny Committee on the latest Home Office immigration and nationality fee increases.

The latest fee increase

From 4 October 2023, increased fees for most immigration and nationality applications came into force.

This latest increase is, at the Home Office's own admission, far above the rate of inflation.¹ Most work and visit application fees will increase by 15%, settlement and British citizenship fees will increase by 20%, and the fees to apply for a student visa from abroad will increase by 35%.

<u>Further increases</u> to the Immigration Health Surcharge are also expected to come into force in late 2023 or early 2024, and to additional categories of immigration applications.²

Background

Everyone applying to enter or stay in the UK to study, work, be with family (including family members who are refugees in the UK) or access British citizenship must pay visa application fees (or obtain a fee waiver, if one is available for their route) in order to enter the UK and retain their basic rights. A table setting out some of the key increases is below.

Prior to the increases which took effect on 4th October, visa application fees were already set at 7-10 times the cost of processing applications. An individual on the 5-year route to settlement could pay an eye-watering £8,095³ before getting permanent settlement, while someone on the ten-year route could pay £13,311.⁴ These fees do not account for the additional costs incurred, including legal advice, paying for appointments to submit biometrics, nor the costs for applying for British Citizenship which is due to increase by 20%.

¹ Explanatory Memorandum to the Immigration and Nationality (Fees) (Amendment) (No. 2) Regulations 2023 (2023 No. 1004) [3.1]: 'This statutory instrument increases a range of immigration and nationality fees by an amount above the average rate of CPI inflation, which was estimated at 9.1% by the Office for Budget Responsibility in 2022.' https://www.legislation.gov.uk/uksi/2023/1004/pdfs/uksiem_20231004_en_001.pdf accessed 7 October 2023.

 $^{^2}$ ibid [7.6]: 'it is also the intention of the Government to implement a 20% increase to wider Limited Leave to Remain fees, namely the £1,048 fee specified at Table 6.1.1 in Schedule 2 of the Regulations.'

 $^{^3}$ For many five-year family-based routes, an individual pays a 'Route to Settlement' entry clearance application fee of £1,538 + 'Leave to remain - Other' fee of £1,048 + £624 per year for the Immigration Health Surcharge for 5 years + £2,389 for indefinite leave to remain.

⁴ For many ten-year routes, an individual pays a 'Route to Settlement' entry clearance application fee of £1,538 + three 'Leave to remain - Other' fees of £1,048 each + £624 per year for the Immigration Health Surcharge for 10 years + £2,389 for indefinite leave to remain.

Visa type	Cost before 4 October 2023	Cost after 4 October 2023	% increase
First spouse or partner visa (for partners coming to the UK for the first time)	£1,538	£1,846	20%
Indefinite Leave to Remain	£2,404	£2,885	20%
British citizenship	£1,250	£1,500	20%
'Skilled Worker' visa - applications made from outside the UK, visa valid for more than three years	£1,235	£1,420	15%
Refugee Dependant Relative to join a relative who has Refugee or HP status	£388	£404	4.12%
Student visa application made from outside the UK	£363	£490	35%

The statutory instrument introducing this increase is The Immigration and Nationality (Fees) (Amendment) (No. 2) Regulations 2023, which was made on 14 September 2023 and laid before Parliament on 15 September 2023 under sections 68(1), (7) and (10)(a), (b) and (c) (iii), 69(2) and 74(8)(a), (b) and (c) of the Immigration Act 2014.

Impacts on communities

We are concerned the Regulations will have a discriminatory impact on certain individuals. Recent research by the Institute for Public Policy Research (IPPR), Praxis, and the Greater Manchester Immigration Aid Unit found that visa application fees were already forcing many migrants into debts of tens of thousands of pounds before the latest increase. This has often left individuals and families unable to cover their most basic needs, including buying food, and leaves them in precarious positions which may lead to exploitation. The impact of this will be heightened during an ongoing cost-of-living crisis.

The consequences of not being able to pay are dire. A person who does not apply to renew or extend their visa in the UK because they cannot afford the application fee faces becoming undocumented, meaning they would lose the right to work, to rent a home, to access healthcare safely – simply put, they would lose the right and ability to live safely in the place they call home. Research by The Joint Council for the Welfare of Immigrants has shown that the prohibitively high cost of immigration fees is a leading factor in pushing individuals and families out of legal immigration status, forcing them to live without documentation and therefore vulnerable to risks including poverty and destitution, labour and financial exploitation, and trafficking.

Although there is a fee waiver system for some types of applications – notably not for Indefinite Leave to Remain, adults applying for British citizenship, and points-based system applications – we believe that this system is inadequate. In 2022, the Home Office received an average of around 10,000 applications per quarter, or almost 44,000 in total. We believe this number will increase even more because of the new fee hikes, compounded by the existing complexity of the process. Many applicants are not aware of the existence of fee waivers for some routes, and many are unable to make an application without support from a legal practitioner. According to research by IPPR, two thirds of survey respondents on a 10-year route were not aware that it was possible to apply for a fee waiver. Given the fact that applications that are eligible for a fee waiver are mostly out of scope of legal aid in England and Wales, and given that legal advice and representation typically costs many hundreds if not thousands of pounds, people who are unable to afford visa application fees will also be unable to get legal advice on or assistance with applying for a fee waiver.

Impacts on British business

The UK's fees are already some of the highest in the world, with, for example, research in August 2019, showing a skilled worker permit averaged 540% more than in other leading science nations. This was before the proposed 15% fee increase. This is harmful not only for those who have chosen to build their lives here, but also devastating for the UK's ability to be competitive on the international stage. The Explanatory Memorandum states at paragraph 12.2 that 'the impact on business, charities or voluntary bodies is likely to be significant-we believe there will be a cost to business in the order of tens of millions of pounds per year, predominantly as a result of the change in fees charged for Certificates of Sponsorship and Confirmations of Acceptance of Studies'. However, it is also clear: 'No specific action is proposed to minimise regulatory burdens on small businesses (employing up to 50 people).'

Current costs of fees have <u>already been shown</u> to make it harder for small to medium sized enterprises to recruit necessary employees, who often <u>fill a skills gap</u> in the UK to contribute to the wider economy. Furthermore, the Regulations increase the fee for employers to assign a Certificate of Sponsorship from £199 to £239. An increase in costs, especially at a time when recruitment in <u>specialised roles</u> is already so difficult for many, will have the inevitable outcome of driving more organisations out of business. Further, increasing skilled worker health and care visa fees by 15% at a time when the UK already has a critical shortage of nurses, care workers, and other essential roles, could see the NHS and social care sectors pushed further into <u>crisis</u>.

Scant justification for fee increases

More importantly, it is our view that visa applications should remain an administrative process – that the Government has the duty to provide – and not a <u>for-profit means of generating income</u>. We support the Government's efforts to balance the budget and increase public sector pay. However, this burden should not be placed on the shoulders of migrants who already make an invaluable contribution to our society and economy.

The Secondary Legislation Scrutiny Committee <u>found</u> in its analysis earlier this year, of the Draft Immigration and Nationality (Fees) (Amendment) Order 2023, that: 'The rationale for increasing the maximum for student visas, in particular, appears weak and the House may wish to enquire further about the Government's intention and rationale for this change. Alongside the Order, the Home Office published its Impact Assessment (IA) for the wider ETA policy. The IA is limited in some respects, and we encourage the Home Office to undertake and publish comprehensive analysis of the effects of ETA in practice, including specifically in Northern Ireland which may experience larger effects than the rest of the UK.'

Insufficient consideration of the impact of fee increases

The Government has failed to sufficiently consider the impact of fee increases before introducing this change. The Equality Impact Assessment (EIA) published on 19th September 2023 fails to give sufficient consideration to the impact these increases will have on individuals with protected characteristics, especially for those on routes for which there is no fee waiver. Given what we know of the different impact of these fees particularly on women, racialised communities, single-income families, and working-class migrants, a thorough impact assessment is vital to ensure that any proposed changes will not have a detrimental and discriminatory impact. The published EIA pays mere lip service to many of the discriminatory issues raised by the Regulations.

For example, the EIA erroneously states that fees for the Certificate of Sponsorship 'are payable by sponsors rather [than] individuals'. It fails to note that, unlike the Immigration Skills Charge, there is nothing in law or policy that prevents a sponsor from passing this cost onto a migrant, as is often the case. Therefore, the EIA fails to consider the associated equalities impact.

Additionally, the EIA fails to assess the impact of the 100% increase to priority visa fees for out-of-country applications. People coming to the UK to join a spouse, parent or child here, or

to be cared for by a UK-resident relative, must currently wait an average of 24 weeks, or nearly 6 months, for a response to their application. These are applications that ordinarily engage an individual's right to respect for private and family life under Article 8 of the European Convention on Human Rights. There is currently a significant backlog in Home Office decision-making, meaning applicants feel compelled to opt for priority visa services in order to obtain a decision within a reasonable period of time.

The EIA states that as priority visa services are 'optional additional charges for customers, they are not explored in detail in the remainder of this EIA.' This is a significant oversight in the EIA, which fails to acknowledge that the Home Office's own backlog and caseworking delays create situations in which migrants must pay additional optional fees, at great personal expense, in order to be reunited with their loved ones within a reasonable period of time.

In relation to the <u>Impact Assessment</u>, dated 15 September 2023, we note that the appraisal period is Q3 2023/2024 to Q2 2028/2029. However, it is unclear to us if the proposed impact of these fees, and the likely impact on the demand/volume of applications during that period and associated loss of revenue, including Immigration Health Surcharge revenue, has been adequately considered in light of the <u>announcement</u> on 13 July 2023 that the Government will increase the Immigration Health Surcharge (IHS) from £624 to £1,035 per person. The Impact Assessment assumes the IHS will remain unchanged across the appraisal period: 'Since July 2020, the rate has been set at £624 per person per year, with a concessionary rate of £470 for students and their dependants, children under the age of 18, and Youth Mobility Scheme applicants. The level of the IHS is assumed to remain unchanged across the appraisal period.'

Breach of parliamentary protocol

The Home Office's Explanatory Memorandum notes that the SI breaches the 21-day rule 'due to unforeseen delays in the finalisation of the SI and supporting documents'. We believe this to be insufficient justification. The Home Office's failure to finalise its own statutory instrument and supporting materials is not an acceptable reason for rushing through Regulations which will have a significant impact on communities and businesses across the country without sufficient impact assessment.

For these reasons, we are deeply concerned about the impact these increases will have, both for people making the UK their home and for this country's economy. The increases are unsustainable not only for migrants, but also for the economy, and the UK's ability to operate competitively in key fields on the global stage.

Recommendations:

- The Home Office must reverse the proposed changes, and instead commit to limiting application fees to actual processing costs
- The Home Office and the House must consider and develop policies to support individuals and families who may face destitution as a result of the proposed increases especially during the cost-of-living crisis, including but not limited to fee waivers
- The Home Office and the House must consider and develop policies to minimise the regulatory and economic burden of fees on businesses

Signatory Organisations:

The Joint Council for the Welfare of Immigrants (JCWI)

Migrant Voice

Greater Manchester Immigration Aid Unit

Reunite Families UK

Praxis

Immigration Law Practitioners' Association (ILPA)

Medact

Migrants Organise

The Unity Project

Migrants' Rights Network