

# PARLIAMENTARY DEBATES

HOUSE OF COMMONS  
OFFICIAL REPORT

Fourth Delegated Legislation Committee

DRAFT IMMIGRATION AND NATIONALITY  
(FEES) (AMENDMENT) ORDER 2023

*Wednesday 12 July 2023*

No proofs can be supplied. Corrections that Members suggest for the final version of the report should be clearly marked in a copy of the report—not telephoned—and must be received in the Editor’s Room, House of Commons,

**not later than**

**Sunday 16 July 2023**

© Parliamentary Copyright House of Commons 2023

*This publication may be reproduced under the terms of the Open Parliament licence, which is published at [www.parliament.uk/site-information/copyright/](http://www.parliament.uk/site-information/copyright/).*

**The Committee consisted of the following Members:**

*Chair:* SIR ROBERT SYMS

- |   |  |
|---|--|
| † Aldous, Peter ( <i>Waveney</i> ) (Con)                          | † Jenrick, Robert ( <i>Minister for Immigration</i> )                |
| † Bailey, Shaun ( <i>West Bromwich West</i> ) (Con)               | † Jones, Gerald ( <i>Merthyr Tydfil and Rhymney</i> ) (Lab)          |
| † Blunt, Crispin ( <i>Reigate</i> ) (Con)                         | † Kinnock, Stephen ( <i>Aberavon</i> ) (Lab)                         |
| † Burgon, Richard ( <i>Leeds East</i> ) (Lab)                     | † Mann, Scott ( <i>Lord Commissioner of His Majesty's Treasury</i> ) |
| † Courts, Robert ( <i>Witney</i> ) (Con)                          | † Rimmer, Ms Marie ( <i>St Helens South and Whiston</i> ) (Lab)      |
| † Day, Martyn ( <i>Linlithgow and East Falkirk</i> ) (SNP)        | † Smith, Nick ( <i>Blaenau Gwent</i> ) (Lab)                         |
| † Eustice, George ( <i>Camborne and Redruth</i> ) (Con)           | Paul Owen, <i>Committee Clerk</i>                                    |
| † Hardy, Emma ( <i>Kingston upon Hull West and Hessle</i> ) (Lab) | † <b>attended the Committee</b>                                      |
| † Hart, Sally-Ann ( <i>Hastings and Rye</i> ) (Con)               |  |
| † Holmes, Paul ( <i>Eastleigh</i> ) (Con)                         |  |
| † Hunt, Jane ( <i>Loughborough</i> ) (Con)                        |  |

## Fourth Delegated Legislation Committee

Wednesday 12 July 2023

[SIR ROBERT SYMS *in the Chair*]

### Draft Immigration and Nationality (Fees) (Amendment) Order 2023

9.25 am

**The Minister for Immigration (Robert Jenrick):** I beg to move,

That the Committee has considered the draft Immigration and Nationality (Fees) (Amendment) Order 2023.

It feels like only yesterday that we were talking about immigration. This draft fees order sets out the immigration and nationality functions for which a fee is to be charged, and the maximum amount that can be charged for each such function. Within the order, we propose a number of changes that will facilitate major Government policy, play an important part in the simplification of our fees structure and allow the Home Office to make vital decisions to ensure that the migration and borders system functions properly and is adequately funded.

I will go into more detail on each of the changes that we propose. To summarise, however, the draft order will: set a power to charge a fee for an electronic travel authorisation, or ETA, and set the maximum fee that can be charged for an application; increase the maximum fee that can be set for visa visits, certain applications for entry clearance and leave-to-remain visas, certain nationality products and services, and priority services; introduce a power to charge a fee for a contact-point meeting with endorsing bodies on the innovator founder route, and set the maximum fee that can be charged; introduce a power to charge a fee for the new “sponsor a worker” function; and remove certain fees relating to biometric enrolment, transfer of conditions, and the replacement and amendment of biometric documents in certain circumstances.

At the outset, it is important to be clear that the fees charged by the Home Office for immigration and nationality applications are an essential part of the Home Office’s funding settlement. Our aim is to reduce the burden of operating the system on the taxpayer and the draft order plays a key role in that, by providing flexibility to adjust fee levels across all immigration and nationality routes through separate legislation. Without that flexibility, it is not possible for the Home Office to take a balanced approach to setting fees. It is therefore vital that the maximum amounts set out in the fees order allow appropriate choices to be made on individual routes to support a balanced approach overall, avoiding the potential for increases to fall disproportionately on routes where there is flexibility to adjust fee levels.

Turning to the changes we propose to the fee maxima, the figures set in the draft order act as a ceiling beneath which the Home Office is able to make changes to fee levels, by separate legislation and seeking agreement across Government. In the majority of cases, we have not made changes to fee maxima since this order was last laid in 2016. I am sure Members will agree that it is prudent to keep those maxima under review to ensure

that the order continues to support our fees and funding objectives. The changes we propose, which are accompanied by an economic impact assessment, will provide the necessary flexibility to make changes to fee levels where they are required to ensure the sustainability of our migration and borders system.

The actual fee levels charged to those seeking to enter or remain in the United Kingdom are not changing under the draft order; any changes to the fee levels will be made through separate legislation and will again be accompanied by a full economic impact assessment.

Members will be aware that the UK is launching an ETA scheme that will strengthen the security of our border and support our wider ambition to digitise the UK border. Such a scheme will be a familiar concept for the majority of international travellers and is in line with the approach taken by many of our international partners, such as the EU and the United States.

In the written ministerial statement I made on 6 June, I outlined our intention to set a fee of £10 for each application on initial roll-out of the scheme. The draft order plays a key role in that process by providing a power to charge a fee for the scheme and setting the maximum fee that can be set by the Home Office for each application. To be clear, although we have announced our intended fee level of £10, the fee cannot be set through this order. We will set the fee formally in regulations that will be subject to approval by Parliament later this year.

We are continuing with the simplification of our fee structure, which includes those fees that have become increasingly redundant as part of the wider transition to digital evidence of immigration status or are no longer required to support wider policy objectives. As such, we will remove the chargeable function for biometric enrolment for all remaining instances of the £19.20 fee in the fees regulations, reducing the number of fees that customers are required to pay in relation to an application.

With all new customers applying in-country now issued with a biometric residence permit or a digital status, the £161 fee charged in-country for a transfer of conditions for those with limited leave to remain is largely obsolete. The removal of this fee reflects that this application is made by those seeking to upgrade legacy documents to a biometric residence permit.

We are removing the fee to amend details on physical documents such as name, sex marker, nationality and photograph, and for those with limited leave to remain. That will bring these customers in line with those who are issued digital status and those with indefinite leave to remain, who are not charged a fee to make this sort of amendment.

We will no longer charge a fee for a like-for-like replacement of a biometric residence permit where the document has expired. That will primarily benefit those with indefinite leave to remain, whose cards have a maximum 10-year validity, with most due to expire in 2024.

The final changes we propose in this order will ensure that the subsequent fees regulations are aligned with wider policy changes being made within the migration and borders landscape. Under new arrangements being rolled out as part of broader reform to the innovator route, checkpoint meetings will be required between an endorsing body and the individual applicant to assess progress against their business plan. The maximum fee

for these meetings is being set at £500. The fee for each assessment will be £500 and will be set in regulations in the next year, ahead of these meetings being chargeable in April 2024.

The current sponsorship scheme is being reformed, with the existing system of certificates of sponsorship being phased out and replaced with the “sponsor a worker” scheme. That will happen in stages, with a limited test in 2024, during which both the certificates of sponsorship and “sponsor a worker” scheme will operate side by side. The amendment we are making in this order will facilitate that change, providing a maximum fee to be set at the same level as the certificate of sponsorship, which is £300.

The changes we propose through this order are vital to provide enough flexibility to amend fee levels with the approval of Parliament, to ensure that the system is sustainable. I am grateful for Members’ support. The changes we are making will ensure the sustainability of our immigration and border system, while setting appropriate levels of fees for those entering or choosing to remain in the United Kingdom.

9.33 am

**Stephen Kinnock** (Aberavon) (Lab): It is a pleasure to serve under your chairship, Sir Robert, and I thank the Minister for his opening remarks. Following the passage of the Nationality and Borders Act 2022 and related changes to the immigration rules in March this year, this order is the next stage of a lengthy process to implement the Government’s planned electronic travel authorisation system. Ministers have set themselves the ambitious target to begin issuing ETAs to people from Qatar and other Gulf states this autumn and for the scheme to be fully operational by the end of next year.

With respect to the new ETA system, the scope of this order is limited to fees to be charged and requirements for applicants to submit biometric information. A number of the most important issues about how the scheme will work and what impact it will have are left for another day. Nevertheless, while we are here, I would like to put a few questions to the Minister on issues where further detail about the Government’s plans would be of great assistance to Members, to ensure that the process is being adequately managed and scrutinised.

The new ETA system is a major undertaking, and its effects will be wide ranging. Significant numbers of UK-bound travellers who do not need a visa will be required to obtain formal clearance to enter the UK for the first time. Whether or not the system will function as it should depends, to a substantial degree, on the effectiveness of new technologies that are still in development. That is an important point, not least because the history of Departments and major IT projects is not a particularly happy one.

In this case, the ETA system will require applications to be made, and eventually biometric information to be submitted, online or via a new app, which has yet to see the light of day. The Government say that even the decision-making process may be automated. That will take highly sophisticated technologies, and robust testing will be essential before the new system comes online. Can the Minister therefore provide an update on what progress has been made with the development of those

technologies to date, and whether he believes that the Home Office is currently on track to meet the deadlines that it has set for the roll-out of those changes?

If we look beyond the administration of the new system, there are serious questions about its potential impacts, especially on the tourism sector and the wider economy, including how travel across the border with Ireland might be affected. As things stand, I have yet to be convinced that Ministers are taking adequate steps to address the concerns raised by stakeholders and to mitigate any unintended consequences.

With regard to tourism, the impact assessment published alongside this order recognises that it is reasonable to expect a fall in tourist numbers once the ETA has been implemented, and revenues can be expected to decrease as a result. Concerns about the implications for cross-border travel between Northern Ireland and the Republic are especially acute in this sector. However, the impact assessment fails to capture the different effects that the ETA may have across the UK’s different nations and regions. That is a significant oversight and one that I hope Ministers intend to address.

Will the Minister therefore set out what steps the Home Office plans to take to mitigate any adverse effects on the tourist trade that these changes may have across the UK—including but not limited to the effects in Northern Ireland? Given that we are dealing with an order that addresses fees, can the Minister tell us what consideration the Government have given to the potential merits of ringfencing some of the income generated from applicants’ fees as a means of providing financial support to any businesses that may find themselves struggling with the transition?

Alongside the measures pertaining to ETAs, this order makes changes to the maximum fee levels applicable to a range of UK visa routes. For the most part, the proposed increases are relatively modest. The notable exception is for student visas. At present, applicants cannot be charged more than £490, but the order would increase the maximum fee to £600. That equates to a more than 20% increase on the current level, with significant potential implications for international student numbers. As the Secondary Legislation Scrutiny Committee in the other place has noted, the scale of the increase is particularly striking when measured against the actual cost to the Home Office of processing those visas, which is less than half of what the applicants have to pay.

The Government’s impact assessment for the student visa fee increase acknowledges that this potential change is likely to have significant knock-on effects on the number of visas granted to international students and, as a result, the revenue from tuition fees, on which so many of our leading universities remain reliant. On the face of it, that appears to be in direct contradiction to the strategy of the Minister’s colleagues at the Department for Education, which—the last time I checked—was to increase the overall number of international students. Whether this is more an example of poor Government co-ordination or whether increasing application fees is part of a new, deliberate strategy overall to reduce the number of student visas is unclear to me. Again, any light that the Minister can shed on what otherwise looks to me like some fairly muddled thinking between different Departments would be much appreciated.

I thank the Minister and look forward to his comments.

9.38 am

**Robert Jenrick:** I am grateful to the shadow Minister for his support for many of the measures in this package—in particular, the ETA, which is an important long-term project for the United Kingdom that will go a significant way to improving our border security and bring us in line with many other developed countries. I said in my opening remarks that all of us who travel to the United States, for example, will have long been familiar with its equivalent. It is right that the UK now produces its own version. We are not alone in this. The European Union is in the process of developing its version of the ETA, which was due to be rolled out this year. It is likely to be delayed, but we await news from the European Commission. All of us are united in our shared view that it is right that sovereign countries—such as the United Kingdom—should know as much as possible about individuals prior to their arrival on the soil of those countries, and the ETA is the key way in which we do that.

We have chosen to begin later this year with Qatar, which is a small but important partner of the United Kingdom and will enable us to pilot the scheme. After that, a small group of other countries will be included before a wider roll-out next year. As the shadow Minister may be aware, we have chosen to adopt a modest delay to the broader roll-out to ensure that the technology is right, because it is important to the United Kingdom, reputationally and economically, that we get this right and that there are not issues with technology when it is launched.

With regard to the maximum fee of £10, we have considered it very carefully. We want to ensure that that fee meets the true cost of the scheme, which is significant because of the new technology that we are standing up, but also that we are competitive and that we do not put people off, whether they be well-paid business travellers, students or those coming on visit visas or school trips to the United Kingdom, whose income and pockets may not be so deep. We think that £10 is an appropriate level that compares favourably with other countries around the world.

The hon. Gentleman asked an important question about the interface between Northern Ireland and the Republic of Ireland in that regard. That is one of the complexities of launching the ETA, because, as he suggests, it does interface with the common travel area. We have had extensive conversations with the Republic of Ireland and with stakeholders in Northern Ireland. I myself have met with the tourist board to discuss its concerns.

As the hon. Gentleman suggests, those concerns are that international visitors coming in on international flights to the Republic, but looking to do short trips to Northern Ireland—either a day trip or a couple of nights for sightseeing, for golf holidays, or for the various other sources of income from tourism in Northern Ireland—might be deterred as a result of the ETA fee. We conclude that the deterrence is limited, bearing in mind the £10 fee and the simple process. In most cases, it can be done by the individual themselves on a smartphone, or with the help of their travel agent or tour-booking company.

However, we do take those concerns seriously and have worked to try to alleviate them. We will be working on the roll-out to ensure that there is a smooth communication plan with all international tour operators

that bring travellers to the island of Ireland. We are also working with some of the other important stakeholders, such as insurance companies, so that they understand the scheme and so that someone who unwittingly crosses the border in a car hired in the Republic does not find themselves in a difficult position should they get into an accident in Northern Ireland without having completed the ETA. I can therefore provide the hon. Gentleman with some assurances that we have given the matter a great deal of thought.

**Stephen Kinnoch:** I thank the Minister, and I am reassured to hear that a great deal of thought has been given. I have also met with members of the Northern Ireland tourist board, and they have expressed extreme concern about this issue. They feel that their marketing strategy is very much based on an all-of-Ireland approach, and the communication of that to potential customers is, they feel, significantly undermined just by this additional measure. It is almost the symbolic nature of it that impacts on their overall marketing strategy. I want to underline that point and urge the Minister to continue that dialogue with the key stakeholders.

**Robert Jenrick:** I am grateful to the hon. Gentleman for meeting with stakeholders. I do not want to represent their views, because they remain deeply concerned about this.

However, my point was that we have gone to a lot of trouble both to engage with them and to seek mitigations. The alternatives are not ones that we would consider palatable: not continuing with the roll-out of the ETA; rolling out the ETA only for Great Britain and not for Northern Ireland, which would create a significant security loophole in the ETA and undermine the Union; or, linked to that, imposing some checks at the border between GB and Northern Ireland, and asking individuals who choose to cross from NI to GB to have an ETA and to be willing to show it at that point—again, that is not something that the Government are willing to consider. I am happy to write to the hon. Gentleman, perhaps with a full explanation of our work with the Republic and stakeholders in this regard.

Lastly, the hon. Gentleman asked about student visa fees. The first point to make is that the fees charged with respect to all these visa and immigration matters are not linked directly to the individual cost of the visas, but to the sustainability of the wider system. We seek to raise sufficient funds that general taxpayers do not fund, or fund to a lesser extent than they would otherwise, our visa and immigration system. There is not a direct link between the cost of any one visa and the fee charged for those reasons.

Furthermore, the policy has been agreed across Government. We worked with the Department for Education, and it supports our proposals. The international education strategy to which the hon. Gentleman referred has been a huge success. It set out a 10-year plan to attract 600,000 students to the United Kingdom, and we met that many years early. Demand for student visas is high, and from the operating data that I have seen—as yet unpublished—it continues to be high. It is not unreasonable to ask international students to pay a higher fee in support the general funding of our immigration and visa system and reduce the cost to the taxpayer of managing the system more generally.

**Stephen Kinnock:** The Secondary Legislation Scrutiny Committee noted that the actual cost to the Home Office of processing the visas is less than half of what applicants have to pay. So that we can have some transparency on how the increased costs were calculated, does the Minister agree with that analysis

**Robert Jenrick:** I do not have those exact costs to hand, but my point is that it is not right for the taxpayers of this country—with taxes at their current level—to pay yet more to fund our immigration and borders system. It is right that we recover as much of that cost as possible from visitors to the United Kingdom. Of

course that is a careful balance, because we want to support the UK being an open country that attracts businesses, tourists and indeed students, but wherever possible, and where it is reasonable, we should try to get that money from international visitors to the UK, rather than leaning yet more on domestic taxpayers.

With that, I thank the members of the Committee for their support this morning. I commend the draft order to the Committee.

*Question put and agreed to.*

9.47 am

*Committee rose.*

