

# PARLIAMENTARY DEBATES

HOUSE OF COMMONS  
OFFICIAL REPORT

Eleventh Delegated Legislation Committee

DRAFT IMMIGRATION (HEALTH CHARGE)  
(AMENDMENT) ORDER 2018

*Tuesday 13 November 2018*

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**Saturday 17 November 2018**

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

*Chair:* JAMES GRAY

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|--|--|
| † Bridgen, Andrew ( <i>North West Leicestershire</i> ) (Con)                       | † Maynard, Paul ( <i>Lord Commissioner of Her Majesty's Treasury</i> ) |
| † Caulfield, Maria ( <i>Lewes</i> ) (Con)  | † Murray, Mrs Sheryll ( <i>South East Cornwall</i> ) (Con)             |
| † Clarke, Mr Simon ( <i>Middlesbrough South and East Cleveland</i> ) (Con)         | † Nokes, Caroline ( <i>Minister for Immigration</i> )                  |
| † Dakin, Nic ( <i>Scunthorpe</i> ) (Lab)   | † Pearce, Teresa ( <i>Erith and Thamesmead</i> ) (Lab)                 |
| † Grogan, John ( <i>Keighley</i> ) (Lab)   | † Pursglove, Tom ( <i>Corby</i> ) (Con)                                |
| † Jones, Graham P. ( <i>Hyndburn</i> ) (Lab)                                       | † Smith, Eleanor ( <i>Wolverhampton South West</i> ) (Lab)             |
| † Khan, Afzal ( <i>Manchester, Gorton</i> ) (Lab)                                  | † Turley, Anna ( <i>Redcar</i> ) (Lab/Co-op)                           |
| † Latham, Mrs Pauline ( <i>Mid Derbyshire</i> ) (Con)                              |  |
| † Maclean, Rachel ( <i>Redditch</i> ) (Con)  | Jennifer Burch, <i>Committee Clerk</i>                                 |
| † McDonald, Stuart C. ( <i>Cumbernauld, Kilsyth and Kirkintilloch East</i> ) (SNP) | † <b>attended the Committee</b>  |

# Eleventh Delegated Legislation Committee

Tuesday 13 November 2018

[JAMES GRAY *in the Chair*]

## Draft Immigration (Health Charge) (Amendment) Order 2018

2.30 pm

**The Chair:** I hope that the Committee will forgive me if I conduct proceedings unusually from a sedentary position. I have a dodgy leg, and standing up is hard work. I hope that will be all right.

**The Minister for Immigration (Caroline Nokes):** I beg to move,

That the Committee has considered the draft Immigration (Health Charge) (Amendment) Order 2018.

It is a pleasure to serve under your chairmanship, Mr Gray, and I hope that the leg is making a good recovery.

We all rely on the national health service for a range of help and support, often at the most difficult times in our lives. Our NHS is always there when we need it. We believe it is right that long-term temporary migrants make a fair contribution to the NHS's sustainability, as they will not have built up the same contributions as permanent residents. That is why we introduced the immigration health surcharge in April 2015.

The charge is paid by non-European Economic Area temporary migrants who apply for a visa for more than six months or to extend their stay in the UK for a further limited period. It is paid up front, as part of the immigration application process, and is separate from the visa fee. The charge should not be conflated with NHS charging regulations, which form part of health legislation and apply to tourists and illegal migrants, who may be directly charged for the cost of their hospital treatment. Those who pay the charge may use the comprehensive range of NHS services without further charge for the duration of their valid leave, subject to a few exceptions: they are charged for assisted conception services in England and must also pay the charges that a UK resident would pay, such as those for prescriptions in England. From the point of arrival in the UK, a charge payer can enjoy the same access to the NHS as a permanent resident. They can make full use of NHS services without incurring hospital treatment charges and without having made any tax or national insurance contributions in the UK.

The charge is currently set at £200 per year, with students and youth mobility scheme applicants enjoying a discounted rate of £150. To date, the charge has raised more than £600 million for the NHS. Income is shared between the health administrations in England, Scotland, Wales and Northern Ireland, using the formula devised by Lord Barnett. The charge rate has not increased since its introduction in 2015. The draft order amends schedule 1 to the Immigration (Health Charge) Order 2015, to double the amount of the charge across all routes. Students, dependants of students and youth mobility scheme applicants will continue to pay a discounted rate, and this will rise to £300 per person. The annual

amount in respect of all other relevant categories of application will rise to £400 per person. The order also makes a minor clarifying change to the principal order, to set out the exchange rate that the Home Office applies when the charge is paid in a currency other than sterling.

The Government recognise the valuable contribution that migrants make to this country. International students enhance our educational institutions financially and culturally, enrich the experience of domestic students, and may become important ambassadors for the United Kingdom in later life. However, faced with increasing demands on health services, we must ensure that migrants make a fair and proportionate contribution to the NHS. There is a balance to be struck, one that is fair to migrants and to the UK taxpayer and that helps to ensure the long-term sustainability of the NHS while maintaining the UK's position as an attractive destination for global talent.

The Department of Health and Social Care has reviewed the cost to the NHS of treating charge payers in England, and it estimates that the NHS spends an average of £470 per person per year in respect of those who pay the charge. The new level of the charge will, therefore, better reflect the cost to the NHS of treating those who pay it. In recognition of the important contributions that migrants make to this country, the charge will remain below the average cost recovery level and continue to represent good value compared with health insurance requirements in comparable countries.

**Teresa Pearce (Erith and Thamesmead) (Lab):** Currently the price of a child application for leave to remain is well over £1,000. The Home Office has said that the cost is about £372, so it already makes £600 on each application. Is it fair, therefore, to increase the cost of the health surcharge for children?

**Caroline Nokes:** As the hon. Lady pointed out, children do use the NHS, and we know from the information we have that they are particularly high users of its services. The immigration health surcharge is transferred to the NHS in its entirety, so this is not about the Home Office making a charge. It is about the Home Office implementing a levy for the NHS that enables it to provide ongoing services to those who use it, and provides fairness, both for migrants who will use more than £400-worth of services and for the UK taxpayer.

The new level of the charge will better reflect the cost to the NHS of treating those who pay it. In recognition of the important contribution that migrants make, the charge remains below the average cost recovery level, and the Government's proposal to double it is consistent with the direction of travel set out in our general election manifesto. The proposed increase is based on the Department of Health and Social Care's closer analysis of the cost that charge payers present to the NHS, analysis that was not previously available. The exemptions for vulnerable groups set out in the 2015 order will remain, and the charge will continue to be waived if a person's application fee is waived on destitution grounds.

I am sure there will be questions about the future application of the charge to EEA nationals. The Government are clear that any EU citizen who is resident in the UK before we leave the European Union in

March 2019 will not pay the charge, and we have committed to publishing a White Paper on the future immigration system later in the autumn. The charge is being considered as part of that process, and of ongoing negotiations.

The Government believe it is fair that temporary migrants make a financial contribution to the comprehensive and high-quality range of NHS services available to them during their stay. By increasing the charge, we estimate that a further £220 million a year could be raised to support the NHS, helping to protect and sustain this country's world-class healthcare system for everyone who uses it. In England alone, the additional contribution could fund roughly 2,000 doctors or 4,000 nurses. The new rate compares favourably with private health insurance requirements in other countries, and we believe it continues to represent a good deal for migrants, given the extensive range of NHS services they may use during their time in the UK. I commend the order to the Committee.

2.37 pm

**Afzal Khan** (Manchester, Gorton) (Lab): It is a pleasure to serve under your chairmanship, Mr Gray. The Labour party will be voting against the motion. The costs associated with applying for visas have skyrocketed, and the UK is becoming an increasingly expensive and unwelcoming place for migrants. A family of four will now pay £6,132 in fees for two and a half years' leave. If the immigration health surcharge were to double, the total bill would be £8,132, which is completely unaffordable for many families. There is a discount rate for students and those on the youth mobility scheme, but under current proposals, the discount rate would be £100 higher than the top rate is now. Meeting the criteria for receiving a fee waiver is notoriously tricky, and most people will not be considered for a fee waiver, but will nevertheless be unable to pay the costs. How many people have been granted a fee waiver, and how many are expected to be granted one once the increase comes into force?

The immigration health surcharge is not a fair contribution. The majority of migrants are taxpayers, so they will effectively be paying twice for any NHS treatment they receive: once through the IHS, and again through their taxes. That double taxation is particularly unfair given that migrants are less likely to use the NHS, as they are on average younger and healthier than the rest of the population. The UK is facing an NHS staffing crisis, and we desperately need to attract doctors and nurses from abroad, to at least plug short-term gaps. The chair of the Royal College of Nursing emphasised that point when she said:

"The immigration health surcharge not only imposes an enormous personal cost on hardworking nurses and health care assistants, but risks driving away overseas staff at a time we need them most."

We have already seen falling numbers of EU citizens coming to the UK. Will the charge apply to EU citizens in any post-Brexit scenario, posing yet another barrier to EU citizens coming to the UK after Brexit?

The immigration health surcharge goes hand in hand with the Government's hostile environment for migrants. Requiring them to pay such an exorbitant cost will push people to defer regularising their status. Without regularised status, a migrant cannot access housing, education and health services. This is not only a very difficult personal

position, but poses a public health risk. In the end, the cost to the NHS will be greater, as people will not seek treatment until a problem reaches a crisis point.

I would like to highlight the effect that this increasing cost will have on one group in particular. The Minister's statement described those who will have to pay the IHS as "temporary migrants", but it will also apply to people who came here as young children, for whom the UK is the only home they know but who are not British citizens. This group is at high risk of being pushed into irregular status. The path to citizenship for these young people is already extremely expensive; they have to pay four times for limited leave to remain before they can apply for indefinite leave. The proposed IHS increase will bring the cost of LLR to £2,033 each time, which is an entirely unaffordable cost for most young people. Many will delay applying or will be forced into debt to pay those costs. The organisation Let Us Learn describes how these young people live in fear of being taken from their families and communities and put in detention if they cannot save enough money in time to pay for the next set of fees.

The Home Secretary has committed to a review of the Home Office's structures and practices. We already have the Windrush lessons learned review, and in a Westminster Hall debate on 4 September, the Immigration Minister committed to review the Government's approach to settling fees for visas and immigration and nationality services. I am sure that I am not alone in feeling fed up with review after review.

**Andrew Bridgen** (North West Leicestershire) (Con): I have listened intently to the shadow Minister's speech, and I am sure that people outside the Committee will look at the text in the same way. From his speech, it is clear to me that Labour's position on this modest increase in charging for our excellent health services in the UK is that it is in favour of more migration and less money for the NHS. Does he not realise how that will grate with the British public and his electors, and does he not appreciate that we run a national health service? We cannot fund an international health service.

**Afzal Khan:** Doubling the fees is not a modest increase. Labour is interested in having a fair system, not in charging people double for a single service. The hostile environment caused the Windrush crisis and the recent DNA scandal, and it will be the cause of many crises to come. The Government must end the hostile environment, including by setting fees and costs for visas and nationality at a fair and reasonable rate.

2.43 pm

**Stuart C. McDonald** (Cumbernauld, Kilsyth and Kirkintilloch East) (SNP): It is good to see you in the Chair, Mr Gray. I want to put on record why the SNP also opposes the immigration health surcharge and the proposed increases. I absolutely echo what the shadow Minister said about the impact on recruiting doctors and nurses and about the terrible effect this will have on children who are on a long route to settlement, who will have to make four applications at intervals of two and a half years. The proposed increase will take the total cost of fees to £10,000 for every single child on that route.

There are two principal reasons why we oppose the order. First, we regard it as an unjustified form of double taxation, which takes no account of the fact



[Stuart C. McDonald]

that, like everybody else, migrants pay tax towards public services. They also face extortionate immigration fees that this Government have already put in place. It is a form of poll tax as well, because it takes absolutely no account of the ability of a person or their employer to pay. The only thing that I would expand upon a little bit is just quite how out of kilter UK immigration charges are now, compared with those of international competitors.

**The Chair:** Order. The hon. Gentleman should restrict himself entirely to these fees rather than discuss general immigration costs.

**Stuart C. McDonald:** I am happy to do that, Mr Gray. At the end of the day, the increase of £200 a year in the immigration health surcharge means that the overall charge for a researcher with a dependent spouse or partner and three kids will be above £11,000. That is between double and 10 times as much as in comparative countries such as the USA, Australia, Ireland, Norway, Canada, France, Sweden and the Netherlands, where a family in exactly the same position would be paying £800, not £11,000. The Home Office speaks of competitiveness, but the figures show how far removed from reality that is. For reasons that the shadow Immigration Minister has given, the order is also far from fair. We oppose the order; it is irrational, unfair and counterproductive.

2.45 pm

**Caroline Nokes:** I am grateful for hon. Members' contributions to the debate and should like to address some of the points raised. The hon. Member for Manchester, Gorton commented on the concerns about the combined cost of the charge and visa fees, and I am conscious of those, but the charge is set at a competitive level and will remain low compared with the potential benefits—free access to the NHS, including GP care and accident and emergency care, as well as routine scheduled healthcare. It offers far better value than private medical insurance, where premiums are much more expensive. If we consider the international comparison, in Australia, for example, the annual price of an insurance policy would be in the region of £302 per year for a student, but if it was for a student and a partner, that might increase to somewhere in the region of the equivalent of £1,700.

As I said, the Department of Health and Social Care studied very closely the average cost of treatment to migrants and that transpired to be in the region of £470 each per year. The Government are clear that migrants must pay the charge when they make an application and should plan their finances accordingly. Both the cost of the health charge and the application fee are available online and are very clear. Those in a vulnerable situation are protected. Immigration application fee waivers are available on specified human rights routes, where a migrant is exercising the right to remain in the UK based on family but is destitute or would be rendered destitute by payment of the immigration application fee.

**Stuart C. McDonald:** When I speak to people practising immigration law who are dealing with clients in this position, they say that it is virtually impossible to get a fee waiver. In fact, as I understand it, fewer than 8% of

children are successful in obtaining one. That leaves them, as I said earlier, facing a charge of more than £10,000 as they go on the long route to settlement. Surely the Minister cannot be comfortable with that.

**Caroline Nokes:** As the shadow Minister highlighted earlier, we keep our fees and charges under review, but at £400 per year, the fee is less than the average amount that the NHS spends on treating migrants. That is why the Government regard it as being fair. We know that children are higher users of national health services than their parents.

I am aware that there have been calls for NHS professionals to be exempt from the charge. The Government fully recognise the important contribution that international healthcare professionals make to the UK, but it is only right that they also make a proportionate contribution to the long-term sustainability of the NHS. In that regard, NHS professionals are in the same position as other providers of essential public services, including teachers.

I recognise that there are some concerns about the financial impact on nurses. However, the answer is not to exempt nurses from the charge but to increase their pay, and that is happening. All NHS nurses will benefit from a pay increase as set out in the Agenda for Change framework.

We are in the process of negotiating reciprocal healthcare arrangements with the European Union. We have reached an agreement with the EU on citizens' rights that will protect those EU citizens and their family members who are resident in the UK by the end of the planned implementation period on 31 December 2020. That will provide the same entitlement to access public services and benefits, according to the same rules as now. In the unlikely event of no deal, the Prime Minister has already confirmed that all EU citizens resident here by 29 March 2019 will be welcome to stay.

The Government believe that it is right that migrants make a fair contribution to the extensive and high-quality range of NHS services available to them during their stay, in line with their temporary immigration status. On that basis, I commend the order to the Committee.

*Question put.*

*The Committee divided: Ayes 9, Noes 8.*

#### **Division No. 1]**

#### **AYES**

Bridgen, Andrew	Maynard, Paul
Caulfield, Maria	Murray, Mrs Sheryll
Clarke, Mr Simon	Nokes, rh Caroline
Latham, Mrs Pauline	Pursglove, Tom
Maclean, Rachel	

#### **NOES**

Dakin, Nic	McDonald, Stuart C.
Grogan, John	Pearce, Teresa
Jones, Graham P.	Smith, Eleanor
Khan, Afzal	Turley, Anna

*Question accordingly agreed to.*

2.50 pm

*Committee rose.*