

PARLIAMENTARY DEBATES

HOUSE OF COMMONS
OFFICIAL REPORT

Fifth Delegated Legislation Committee

DRAFT IMMIGRATION AND NATIONALITY
(FEES) (AMENDMENT) ORDER 2022

Thursday 10 February 2022

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The Committee consisted of the following Members:

Chair: MR PHILIP HOLLOBONE

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|---|---|
| † Bacon, Gareth (<i>Orpington</i>) (Con) | McKinnell, Catherine (<i>Newcastle upon Tyne North</i>) (Lab) |
| Blunt, Crispin (<i>Reigate</i>) (Con) | McDonnell, John (<i>Hayes and Harlington</i>) (Lab) |
| † Bonnar, Steven (<i>Coatbridge, Chryston and Bellshill</i>) (SNP) | † Richardson, Angela (<i>Guildford</i>) (Con) |
| † Bridgen, Andrew (<i>North West Leicestershire</i>) (Con) | † Smith, Greg (<i>Buckingham</i>) (Con) |
| Efford, Clive (<i>Eltham</i>) (Lab) | † Stewart, Bob (<i>Beckenham</i>) (Con) |
| † Foster, Kevin (<i>Parliamentary Under-Secretary of State for the Home Department</i>) | † Tomlinson, Michael (<i>Lord Commissioner of Her Majesty's Treasury</i>) |
| † Huq, Dr Rupa (<i>Ealing Central and Acton</i>) (Lab) | † Twist, Liz (<i>Blaydon</i>) (Lab) |
| † Jones, Mr David (<i>Clwyd West</i>) (Con) | Bradley Albrow, Gavin Blake, <i>Committee Clerks</i> |
| † Kinnock, Stephen (<i>Aberavon</i>) (Lab) | |
| † Longhi, Marco (<i>Dudley North</i>) (Con) | † attended the Committee |

Fifth Delegated Legislation Committee

Thursday 10 February 2022

[MR PHILIP HOLLOBONE *in the Chair*]

Draft Immigration and Nationality (Fees) (Amendment) Order 2022

11.30 am

The Chair: Mr Speaker would like to remind Members to observe social distancing and to wear face coverings when not speaking.

The Parliamentary Under-Secretary of State for the Home Department (Kevin Foster): I beg to move,

That the Committee has considered the draft Immigration and Nationality (Fees) (Amendment) Order 2022.

It is a pleasure, as always, to serve under your chairmanship, Mr Hollobone.

The Immigration and Nationality (Fees) Order 2016 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 function. Members will have noticed that the draft order is not the longest piece of immigration legislation that we have ever considered in a Delegated Legislation Committee, given that it seeks to make only two changes to the fees order, specifically amendments to the maximum amount that can be charged for two application types: entry clearance as a visitor for a period of up to six months, more commonly known as the short-term visit visa; and entry clearance or leave to remain as a student.

I want to make it clear at the outset that the changes do not alter the fees paid by customers. Specific fee levels are set out in separate legislation, namely the Immigration and Nationality (Fees) Regulations 2018, and those levels are not impacted by the amendments we are debating. The changes in the draft amendment order, however, will serve to increase the flexibility on fees in future.

The maximum amount that can be charged for a short-term visit visa will increase by £35, from £95 to £130. That will align the fee maximum to the published unit cost for that product. The maximum amount for entry clearance or limited leave as a student will be raised by £10, from £480 to £490. That relatively small increase will provide some additional headroom on student fees, in particular those close to the existing maximum.

For background, both changes mark the first time that the maximum amounts will have increased since 2016. They will provide additional flexibility on those fees, allowing the Home Office to consider a balanced approach to fee changes across our visa routes.

Dr Rupa Huq (Ealing Central and Acton) (Lab): The Minister and I have history, and I like him as a person. It is interesting that these amounts are a ceiling, but I wonder whether he has seen the figures from 2019. He talks about student visas, but in the five years to 2019 the fee for limited leave to remain went up by 79% and that for indefinite leave to remain by 119%. At the time, there was an excellent comment in *The Times* Thunderer

page—by me, actually—headlined, “Home Office must be stopped from running fees racket”, because apparently processing costs had gone down in that time, although the fees went up. I am pleased that he is setting a ceiling, but will he bear in mind that fees have been ratcheted up and up in the years until now and will he ensure that it really is a ceiling, to keep the fees down?

Kevin Foster: I thank the hon. Member for her intervention. As she says, we get on well. It is good to get that totally independent analysis—in quality and method—in the article that she wrote for *The Times*.

Over recent years, immigration fees have generally risen so that more of the costs of the migration system are borne by those who use it, rather than by the wider taxpayer. Colleagues will have realised that in the past couple of years there has been a big difference in the income from fees because of the pandemic. Inevitably, wider funding from the taxpayer has increased.

The changes we are discussing specifically will be only to the maximums for two routes. They will reflect the current unit costs, in particular for the short-term visit visas, although, as I said, the draft order will not change the fee to be paid by applicants. That would need a separate statutory instrument to alter the fees themselves.

We are conscious that we need to ensure that our routes are competitive and give value to those who apply for them. One of the core rules in the rest of our work is to simplify our immigration system to reduce the amount of times that people need to instruct a lawyer to help them with their application, which in many cases can represent a significant cost that might not be seen as a fee, but affects how much people end up paying to secure their status in this country.

Changes under consideration by the Home Office are about adjustments to simplify the range of fees payable by customers, including removing specific additional charges and consolidating what people are required to pay into one overarching fee. A good example is removing the biometric enrolment fees charged alongside certain applications, with these costs recovered through the main application fees instead, which we believe is a simpler and much more transparent approach to the cost of a visa. We will of course share further details about some of the changes we are looking to make with colleagues and the House when we are in a position to do so.

Colleagues will be aware that migration and borders functions are largely funded by immigration and nationality fees as part of the Home Office spending settlement to reduce the burden on the taxpayer more widely. It is critical that any changes are funded by other changes within the system. It is therefore vital that the maximum amount set out in the fees order allows appropriate choices to be made on individual routes to support a balanced approach overall to the fees we charge. I emphasise again that we are not changing any fee levels through the order. Any changes to specific fees would be subject to cross-Government consultation and further parliamentary clearance and would be implemented through fees regulations, not this order, I therefore hope Committee members see the need for it.

The Chair: The debate can last until 1 pm, and I call Stephen Kinnock.

11.36 am

Stephen Kinnock (Aberavon) (Lab): Thank you very much, Mr Hollobone. I appreciated your pause before calling me to speak. I took the subliminal message in that very clearly and it is a pleasure to serve under your chairship.

I start by thanking the Minister for setting out the purpose and content of the order. For the sake of our national security and economic prosperity, we on the Opposition Benches firmly support the system for managed migration on the basis that it must be sensible, sustainable and humane. That includes keeping a clear record of who is entering and leaving our country and ensuring that they have the means to support themselves and their dependants. We therefore recognise the need to charge a fee for a visa, not only to cover the administration costs but to ensure that the applicant can sustain themselves for the time that they are here.

However, we are surprised at the dramatic rise, from £95 to £130, for six-month visitor visas. We understand the need to find ways to replenish the Treasury coffers after the economic earthquakes caused by covid and leaving the European Union, but is there not a danger that the increase will discourage tourism at a time when we need to get the UK economy firing on all cylinders? Is welcoming—rather than discouraging—tourism not a key part of the plan to build back better following 12 years of anaemic growth?

We will not directly oppose the order, because we recognise the tough economic choices that Governments must make, particularly in uncertain times. Nevertheless, we will appreciate it if the Minister considers reflecting on and answering the following questions. Will he set out the criteria on which the Government made the decision to increase maximum charges by the specific percentage that they have, and particularly by the sizeable 37% increase, from £95 to £130, for a six-month visitor visa? Will he explain in which circumstances the UK Government might charge that maximum fee? That is to say, will he confirm whether the £130 maximum fee will be applied to visitors from all countries to which the existing £95 fee is currently applied?

Will the Minister explain whether there will be different price points for visitors that undertake business visits and those coming only for leisure purposes? Will he state whether there will be different price points for single-entry visas and multiple-entry visas? What assessment has he made of the impact that that will have on the number of visa applications from ordinary holidaymakers, and the broader impact on our economy? What assessment has he made of that impact on Treasury fiscal balancing requirements? Will he commit to a periodic review to understand the impact that the changes we are debating today have had on people entering the country, on the overall numbers of visitor visas and on some of the broader questions about the impact on our economy? I look forward to the Minister's reply.

11.40 am

Kevin Foster: I thank the shadow Minister for what was overall a constructive contribution, and I note that he does not plan to oppose the order. To address some of his questions, the criterion was to set the maximum at what we declare as the unit cost. We did not take a percentage figure for the short-term visit visa; it was based on the fact that the current unit cost is about

£130, and the current maximum is £95. That was the logic. We were not, for example, looking for a specific 30% fee. We were setting the maximum as the cost of processing a short-term visit visa application.

The fee applies to everyone who applies for a short-term visit visa. Again, the order that we are debating today does not change the amount paid by a customer. After it has been passed, people will still pay £95 for a short-term visit visa until we bring forward changes to the fees regulations. For a range of reasons, particularly non-discrimination, those who are visa nationals—those who are required to get entry clearance prior to coming to the United Kingdom—would all pay this fee. There are many countries to which that does not apply; most notably, citizens of the B5JSSK—that is, Australia, Canada, Japan, New Zealand, Singapore, South Korea and the United States of America—our key allies globally, and of the European economic area, as well as any other non-visa national, would be able to come here and make their entry clearance application at the border, or through an e-gate in the case of a number of nationalities. The fee would apply to all visa nationals who are required to apply for a visa to come to the UK for a range of purposes.

The hon. Member for Aberavon has asked whether there is a separate fee if somebody is coming on business or on leisure. Provided that the person is coming for a business purpose that is provided under the visitor route, the answer is no. However, if they were coming to work or for certain occupations, they would need to apply, but that would be for a separate visa. The hon. Member may be aware that we plan to introduce a global business mobility visa to bring together a number of our routes for coming to the UK, not to work in a permanent job or to work towards settlement, which is what the skilled worker visa does, but to make use of certain trade agreements under which people can travel in and out of the UK and do particular functions and roles. That would not be done under the visitor route. A businessperson can come to the UK on a visitor visa to, for example, visit a trade fair, give a lecture, or do what is called a permitted paid engagement, which can be anything from performing at a local theatre for up to 28 days to arguing a court case as a lawyer here in the UK. Under the visitor route, people can do quite a range of things that we might consider to be for business purposes alongside all the things that happen for leisure purposes—for example, short-term study for up to six months is permitted under the visitor route. There would not be a different fee; the fee is the same.

People can apply for multiple entry visas. They apply over a number of years, and there is a different fee scale for them. The visa gives people permission for up to six months, and it is not uncommon for people to apply for entry permission, for instance because they are visiting family here in the UK. They will perhaps be stay for up to four months, but may travel in and out of the UK while they are here—provided, of course, that they secure relevant visas from the Schengen zone, and provided that their main purpose for being in the UK is compatible with the visitor route and they seek re-entry during the time for which their visa is valid.

An impact assessment will be done if we move to change the fees that are charged. If we change the fees that people pay, which the order does not do, we will not have to go from £95 to the maximum. There are a

[Kevin Foster]

lot of points in between. If we changed the fees, we would do an assessment. I represent Torbay, where the economy is very heavily built on the tourism sector, and we would clearly want to consider what effect an increased visa fee might have on tourism. For many people, it will be a relatively small part of the cost of coming to the UK. Most of our near neighbours are non-visa nationals, so they would not be applying for this visa in the first place. We are talking about what are more likely to be long-haul journeys, where the cost of the visa itself is unlikely to be the main determining factor. It will be more about ensuring that someone can qualify for the visa—that is, as the hon. Gentleman mentioned, they can show that they can sustain themselves here, and that they are not planning to work when they should not be coming to work under this particular visa route. We will of course pay very careful attention to the tourism market and international visitors. We look forward to seeing a regrowth in international travel, particularly as travel restrictions start to be eased more in the global context this summer. That will be one of our key considerations in any move to increase what customers are paying.

Finally, the hon. Gentleman asked about a periodic review. We keep our fees under regular review. We look to see what impact they are having. We also of course look to compare them against those of competitor nations, where people may be thinking of going on holiday. For example, particular places that we look at are the United States and the Schengen zone. At the moment, we are comparable. Our visitor route is quite a generous one, of up to 180 days, and with quite a range of things that people can do that perhaps in other jurisdictions they might need to apply for a separate visa to do. I am thinking particularly of some of the cultural performances that people can do under paid permitted engagement, which is quite a wide permission.

Again, I welcome the overall constructive tone of the remarks from the shadow Minister. I hope that my responses give him some comfort in relation to some of the questions that he had for me.

Question put and agreed to

11.46 am

Committee rose.