

## Equality Impact Assessment [EIA]

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## 1. Name and outline of policy proposal, guidance, or operational activity

### Immigration and nationality fee changes in Autumn 2023

*(Please note: This document is an update of an EIA originally submitted earlier in 2023)*

The department is proposing a range of changes to immigration and nationality fees, with the objective of increasing the level of income generated from those fees to mitigate wider financial pressures faced by the migration and borders system, as well as to support continued alignment with the Government's previously stated intent to move the system onto an increasingly self-funded basis, reducing reliance on taxpayer funding of the system and in turn allowing that central funding to be prioritised elsewhere in the department.

Additionally, the proposed changes include a particular approach to certain products and services, where the proposal is to harmonise fees between in and out of country application routes meaning certain products/services will increase by a higher percentage. While these primarily have the effect of further increasing the level of revenue generated by these changes, and therefore helping to meet wider costs within the migration and borders system (as permitted by Section 68(9) of the Immigration Act 2014), they also have the benefit of supporting wider policy objectives (e.g. simplifying the department's fee structure).

A summary of these proposals is as follows:

We are proposing a 15% increase to most work and visit visa fees, with lower increases on certain routes where there were constraints posed by fee maxima in the Immigration and Nationality (Fees) Order 2016, at the time these increases were agreed cross-Government. We are also proposing a 35% increase to the fee charged for a student visa to those applying from overseas, in order to bring this product into line with the fee charged for applications made from in the UK for the equivalent visa. Furthermore, we are proposing to implement 20% increases to fees across settlement, citizenship and wider entry clearance/leave to remain routes. Details of changes to specific fees will be set out in the Explanatory Memorandum published alongside the amendment to the Immigration and Nationality (Fee) Regulations 2018 that will make the changes.

*(Please note: as referenced in the Explanatory Memorandum for the Fee Regulations laid on 15 September, the intention is that a 20% increase to the Leave to Remain fee will be laid in further Regulations in due course. However, it is explored in this EIA given the link to the wider package)*

These increases are recommended primarily as a means of delivering additional income to mitigate the impact of increased costs in the migration and borders system. The proposed alignment of fees for student visas also further increases the financial benefit of these proposals, while supporting greater simplicity and consistency in the fees charged to customers in and out of country.

The proposal also includes a further option to increase Confirmation of Acceptance of Studies (CAS) and Certificate of Sponsorship (COS) fees by 20%. This will move these fees, which have not been amended since 2016, more into line with the associated

estimated unit cost. As these fees are payable by sponsors rather than individuals, we do not anticipate an associated equalities impact and this is not explored further in this EIA.

Additionally, the proposals include changes to Priority Visa (PV) and Super Priority Visa (SPV) expedited processing service fees, which are to be aligned at £500 for PV and £1000 for SPV. This will lead to reductions in certain existing fees, and significant increases to others (most notably PV out-of-country, which is currently charged at £250). These proposals are estimated to significantly increase the income generated through these fees, while also having the benefit of improving the consistency of the current fee structure. We will also increase the 'User Pays' Visa Application Centre (VAC) fee payable for appointments at certain VACs overseas from £55 to £76.50. This is to reflect increases in Commercial Partner costs. As PV, SPV and User Pay VAC fees are optional additional charges for customers, they are not explored in detail in the remainder of this EIA.

Finally, Convention Travel Document fees, which are set at the same level as those for an adult and child passport, are also increasing by c. 9% in line with passport fee increases that are due to be implemented in early February 2023. We do not consider that there are particular equalities impacts in continuing to align these fees and these changes are not explored further in this EIA.

## **2. Summary of the evidence considered in demonstrating due regard to the Public-Sector Equality Duty.**

### Government research

- Home Office Analysis and Insight data on age, sex and nationality for the period October 2020 to April 2022.
- [Media factsheet: Immigration Health Surcharge](#)
- [Immigration statistics, year ending September 2022 - GOV.UK \(www.gov.uk\)](#)

### External organisation's research

- [Disability pay gaps in the UK: 2021](#)
- [Families and households in the UK: 2021](#)
- [Gender pay gap in the UK: 2022](#)
- [Median annual earnings for full-time employees in the United Kingdom in 2022, by age and gender](#)

**3a. Consideration of limb 1 of the duty:** Eliminate unlawful discrimination, harassment, victimisation and any other conduct prohibited by the Equality Act.

The public sector equality duty (PSED) under s149 of the Equality Act 2010 provides that public authorities must, when exercising their duties, have due regard to the need to:

- Eliminate discrimination, harassment, victimisation and any other conduct prohibited by the Act;
- Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and

- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

This PSED covers the following eight protected characteristics under section 149 of the 2010 Act: age; disability; gender reassignment; pregnancy and maternity; race (including ethnic or national origins, colour or nationality); religion or belief; sex; and sexual orientation.

Schedule 18 to the 2010 Act sets out exceptions to the public-sector equality duty. In relation to the exercise of immigration and nationality functions, s149(1)(b) of the Act (to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it) does not apply to the protected characteristics of age, race (insofar as it relates to nationality or ethnic or national origins) or religion or belief.

Schedules 3 and 23 to the 2010 Act operate so that certain discrimination in relation to age, nationality, national or ethnic origins, or place or duration of evidence does not amount to unlawful discrimination. This includes where the discrimination is authorised by the Immigration Rules or by primary or secondary legislation.

However, it is still necessary to consider the justification for the discrimination and the impact on equalities as a matter of public law. This Equality Impact Assessment therefore considers all the proposals through the framework of the 2010 Act.

No evidence of unlawful discrimination, harassment or victimisation of any group has been identified during the course of our analysis. However, there are instances where individuals of a certain protected characteristic are likely to be more impacted by the proposed changes. Further detail is below.

## **Age**

### Direct discrimination

Given that the proposed fee alignments and increases will be applicable equally to all applications within the same/similar product categories we do not consider that there will be any direct discrimination on the grounds of age as a result of these changes.

The fee to register a child as a British citizen is set at a lower rate than the fee to naturalise or register an adult as a British citizen – however, we do not consider that increasing those fees by a consistent 20% fundamentally changes the rationale on which those differential fees were originally set, or that it is necessary or proportionate to revisit that rationale in this analysis.

### Indirect Discrimination

Certain routes are more popular with certain age groups than others. Some routes are subject to greater fee increases than others. That means that some age groups will be more affected than others because the fees increases are not uniform. However, there are material differences in the circumstances of the applicants for the affected routes; a skilled worker visa is a significantly different product to a student visa in terms of eligibility and

entitlements resulting from a successful application, and as such the circumstances of applicants on those routes would necessarily be materially different. Therefore, no indirect discrimination on grounds of age arises by virtue of section 23 of the Equality Act 2010.

## **Disability**

### Direct Discrimination

Given that the current fees structure and any proposed changes are applicable equally regardless of disability we do not believe there will be any direct discrimination on the grounds of disability.

### Indirect Discrimination

The Home Office does not routinely collect data on disability characteristics on the routes detailed in this assessment however, we have considered whether this policy has a particular, negative indirect impact on the grounds of disability.

The department has previously received criticism in relation to high fees on some routes, where disabled individuals may face greater challenges in affording those fees – in 2021, the disability pay gap was 13.8% with disabled employees earning a median of £12.10 per hour and non-disabled employees a median of £14.03 per hour (ONS, 2021). However, we consider that the proposals to increase visit, student and work immigration fees in and of themselves are unlikely to have a significant impact on disabled individuals seeking to apply on the routes in question, for example due to the low overall cost of the fee (visit, where the new fee for the high-volume Short Term Visit Visa would be £115), or because the requirements of the route include requirements that are more likely to be material to the applicant's eligibility and ability to access those routes (e.g. salary requirements for Skilled Worker).

The potential for indirect impacts on people with disabilities on rights-based leave, settlement and citizenship routes may be greater, due to the particular context of individuals applying under those routes, with fee increases potentially having a higher impact on those who have a disability compared to those who do not. However, we consider it a fair approach to generally apply fees equally. Accordingly, we consider that applying broad increases to fees that have been set on that basis represents a proportionate means of achieving a legitimate aim.

## **Gender Reassignment, Marriage and Civil Partnership, Pregnancy and Maternity, Religion or Belief, Sexual Orientation**

The Home Office does not routinely collect or process data in respect of these protected characteristic for immigration purposes. However, given that the current fees structure and any proposed changes are applicable equally regardless of these protected characteristics, and we have not identified any potential greater impacts on people with these protected characteristics, we do not consider that there is any direct or indirect discrimination on the grounds of these characteristics.

## Race

### Direct discrimination

Given that the proposed fee alignments and increases will be applicable equally to all nationalities we do not believe there will be any direct discrimination on the grounds of race.

### Indirect discrimination

Certain routes are more popular with certain nationalities than others. Some routes are subject to greater fee increases than others. That means that some nationalities will be more affected than others because the fees increases are not uniform. However, there are material differences in the circumstances of the applicants for the affected routes; a skilled worker visa is a significantly different product to a student visa in terms of eligibility and entitlements resulting from a successful application, and as such the circumstances of applicants on those routes would necessarily be materially different. Therefore, no indirect discrimination on grounds of nationality arises by virtue of section 23 of the Equality Act 2010.

## Sex

### Direct discrimination

Given that the proposed fee alignments and increases will be applicable equally to both sexes we do not believe there will be any direct discrimination on the grounds of sex.

### Indirect discrimination

*Table 91 – Applications for specified out of country routes by sex October 2020-April 2022 (Immigration Statistics quarterly release)*

<b>Sex</b>	<b>Students</b>	<b>Skilled Worker</b>	<b>GBM</b>	<b>Innovator</b>
Female	277,920 (48%)	44,880 (48%)	17,940 (46%)	705 (47%)
Male	301,080 (52%)	48,620 (52%)	21,060 (54%)	795 (53%)
<b>Total applications</b>	<b>579,000</b>	<b>93,500</b>	<b>39,000</b>	<b>1,500</b>

Table 9 shows that between October 2020 and April 2022, the proportion of men making applications across Student, Skilled Worker, Global Business Mobility and Innovator routes was slightly more than women, suggesting that the proposed fee alignments could have a greater financial impact for men as they make up a higher proportion of applicants overall. We do not consider, however, that this slight indirect impact puts men at a particular disadvantage compared with women.

*Table 10– Grants of settlement and citizenship by sex in 2021 (Immigration Statistics quarterly release)*

<b>Sex</b>	<b>Settlement</b>
Female	58,779 (55%)
Male	47,342 (45%)
<b>Total grants</b>	<b>106,123</b>

Table 11 – Grants of settlement and citizenship by sex in year ending September 2022 (Immigration Statistics quarterly release)

<b>Sex</b>	<b>Citizenship</b>
Female	96,911 (52%)
Male	88,946 (48%)
<b>Total grants</b>	<b>185,857</b>

Tables 10 and 11 show the proportion of women making settlement and citizenship applications was slightly more than men, suggesting that the proposed fee alignments could have a greater financial impact for women as they make up a higher proportion of applicants overall. We do not consider, however, that this slight indirect impact puts women at a particular disadvantage compared with men.

Although the proposed changes do not directly discriminate on the basis of sex, women are more likely to earn less than men, with the sex pay gap estimated as being 8.3% by the ONS in April 22. This suggests that fee increases could present more potential for negative impact on women as opposed to men. However, we do not consider that seeking to address this potential indirect impact through a differential charging approach would represent a fairer approach than the current fees system, which seeks to apply fees consistently regardless of the individual characteristics of applicants and represents a proportionate means of achieving a legitimate aim.

**3b. Consideration of limb 2:** Advance equality of opportunity between people who share a protected characteristic and people who do not share it.

We have had due regard for the need to advance equality of opportunity between those who share a protected characteristic and those who do not. Our assessment is, given that the proposed fee alignment and increases will be applied equally within customer groups, we consider that for individuals with a protected characteristic vs those that do not, there is unlikely to be significant inequality of opportunity resulting from these proposals. Furthermore, any minor impact would be justified by the proportionate nature of the proposals as a means of supporting the funding of the migration and borders system in a way that reduces reliance on the UK taxpayer.

The disability and sex pay gaps referenced in limb 1 of this assessment have relevance to advancing equality of opportunity between people who share a protected characteristic and people who don't. With women and disabled people more likely to earn less than men and non-disabled people, the proposed increases to immigration and nationality fees arguably have a potential minor negative impact on advancing equality of opportunity between people who share a protected characteristic and people who do not share it. This is because women and disabled people may be more likely to be impacted by the proposed fee increases because they are more likely to have less disposable income.

As noted in the analysis under limb 1, apart from a small number of limited exceptions, our fees apply to all applicants and the proposed fee increases are consistent within the same type of application. Furthermore, we believe that it is fairer to charge a consistent fee to all applicants, rather than differential fees determined by the characteristics of the individual making the application. Whilst there are external factors that may affect the affordability of fees for individuals in different circumstances, we do not consider that it is proportionate to introduce concessions to address the potential for minor impacts.

**3c. Consideration of limb 3: Foster good relations** between people who share a protected characteristic and persons who do not share it.

We have had due regard for the need to foster good relations between people who share a protected characteristic and those who do not, in considering the impact of these proposals.

We consider that overall the proposed fee increases do not adversely affect good relations between people who share certain protected characteristics and those who do not.

#### **4. Considerations in line with the Secretary of State's duty under Section 55 of the Borders, Citizenship and Immigration Act 2009**

Section 55 of the Borders, Citizenship and Immigration Act 2009 requires the Secretary of State for the Home Department to ensure that due regard is paid to the need to safeguard and promote the welfare of children in the UK when exercising immigration and nationality functions. Considerations in relation to this duty, as well as other relevant primary factors that the Secretary of State may take into account when setting immigration and nationality fees (as set out under Section 68 (9) of the Immigration Act 2014), are set out below.

Turning first to the category of work, study and visit visa fees, while it may be argued that higher fees can deter individuals from entering or extending their stay in the UK, we do not consider that such a factor can be said to have a particular impact on the welfare of children, whose parents or relatives (with whom they would typically apply as a dependent) can make alternative choices about where to pursue those purposes. Furthermore, the policy intention behind these fees and the proposed increases, that the funding of the immigration and nationality system is met substantially by the users of that system in order to reduce reliance on the UK taxpayer, can be considered to have a wider positive impact on the welfare of children. This is because such an approach supports the use of that potential funding for other purposes in Government (including the provision of services that benefit children), as well as the continued sustainable funding of a migration and borders systems that plays a critical role in driving UK economic prosperity and securing the border.

As regards fees for rights-based applications, as well as settlement and citizenship applications, stakeholders have raised concerns regarding the impact that fee levels can have on the welfare of children. This includes the impact that high fees may have on the ability of children to access limited or indefinite leave to remain, or citizenship, particular in cases where those individuals may have been born in the UK, arrived in the UK at an early stage or spent a substantial part of their life here. In cases where there are challenges around access, it is reasonable to conclude that there may consequently be potential impacts on that child's welfare as a result of being unable to secure the benefits associated with that status.

In terms of mitigations for these potential impacts, the department offers affordability-based fee waivers for limited leave to remain based on human rights grounds and for child citizenship registration, as well as fee exceptions for children in Local Authority care for leave to remain and citizenship. These waivers and exceptions ensure that the department meets its international obligations including under Article 8 of the European Convention on Human Rights.



**5. Summary of foreseeable impacts of policy proposal, guidance or operational activity on people who share protected characteristics for Immigration and Nationality fees.**

Protected Characteristic Group	Potential for Positive or Negative Impact?	Explanation	Action to address negative impact
<b>Age</b>	N/A	<p>Given that the proposed fee alignments and increases will be applicable equally to all applications within the same/similar product categories we do not consider that there will be any direct discrimination on the grounds of age as a result of these changes.</p> <p>Circumstances of applicants across different routes are materially different. Therefore there can be no indirect discrimination by virtue of Section 23 of the Equality Act 2010.</p>	N/A
<b>Disability</b>	Negative	<p>There is a potential negative impact in relation to the disability pay gap, and potential for greater associated difficulty in affording fees.</p>	<p>We consider that the approach of charging consistent fees which do not differentiate on the basis of individuals' protected characteristics represents a fair approach, and that it would be disproportionate to pursue any such differentiation to mitigate minor potential impacts.</p>
<b>Gender Reassignment</b>	N/A		
<b>Marriage and Civil Partnership</b>	N/A		
<b>Pregnancy and Maternity</b>	N/A		

Protected Characteristic Group	Potential for Positive or Negative Impact?	Explanation	Action to address negative impact
<b>Race</b>	N/A	<p>Policy applies equally to all applications, so no direct discrimination.</p> <p>Circumstances of applicants across different routes are materially different. Therefore there can be no indirect discrimination by virtue of Section 23 of the Equality Act 2010.</p>	N/A
<b>Religion or Belief</b>	N/A		
<b>Sex</b>	Negative	Potential for indirect impacts on women as a result of sex pay gap and potential associated difficulties in paying the fee.	We consider that the approach of charging consistent fees which do not differentiate on the basis of individuals' protected characteristics represents a fair approach, and that it would be disproportionate to pursue any such differentiation to mitigate minor potential impacts.
<b>Sexual Orientation</b>	N/A		

**6. In light of the overall policy objective, are there any ways to avoid or mitigate any of the negative impacts that you have identified above?**

There are several existing measures that mitigate the impact of higher fees on individuals applying on certain routes, particularly for rights-based leave and child citizenship, where the availability of affordability-based fee waivers support greater access to these products for cohorts where the potential for negative impacts is more acute. There is potential for further mitigation of these impacts on other routes where stakeholders have raised concerns, however this is at the Secretary of State's discretion and may be subject to consideration of the impact of any such mitigations on wider departmental objectives relating to fees and funding.

**7. Review date**

This EIA will be reviewed every 12 months.

**8. Declaration**

I have read the available evidence and I am satisfied that this demonstrates compliance, where relevant, with Section 149 of the Equality Act and that due regard has been made to the need to: eliminate unlawful discrimination; advance equality of opportunity; and foster good relations.

**SCS sign off: Paul Darling**

**Name/Title: Daniel Boulton, Head of Fees & Income Planning**

**Directorate/Unit: Fees & Income Planning, Finance Directorate**

**Lead contact: Daniel Boulton**

**Date updated: 06/09/23**

For monitoring purposes all completed EIA documents and updated EIAs **must** be sent to the [PSED@homeoffice.gov.uk](mailto:PSED@homeoffice.gov.uk)

**Date sent to PSED Team: 06/09/23**