

EXECUTIVE COUNCIL

RESTRICTED

Title of Report: Interim Revision of Immigration Fees

Paper No: 121/09

Date: 25 May 2009

Report of: Collector of Customs

1.0 Purpose

The purpose of this paper is to seek Executive Council approval in respect of proposed increases in immigration related fees for implementation in respect of Financial Year 2009/10.

2.0 Recommendations

Executive Council is recommended to agree:-

- (a) for the proposed revisions to general immigration fees as outlined at Annex A to this paper be implemented in respect of Financial Year 2009/10;
- (b) for the Attorney General's Department to effect amendments to the applicable Falkland Islands' legislation as appropriate.
- (c) that a comprehensive review of the charging arrangements policy in respect of all immigration related fees which is supported by activity based costing analysis should be completed by IPWG in time for consideration by Executive Council in readiness for the 2010/11 budget year.

3.0 Summary of Financial Implications

3.1 FY 2009/10 revenue in respect of vote 0300 0145 would be enhanced if the proposed increases in applicable fees rates are approved:

FY 2008/09 Original 0300 145 Revenue Estimate:	£ 41,640
FY 2008/09 Revised 0300 145 Revenue Estimate:	£ 33,670*
FY 2009/10 0300 145 Revenue Estimate if proposed fees revisions are approved:	£ 47,820

* Reduced demand for vote 0300 0145 services plus the non-lifting of the moratorium on the acceptance of PRP applications within the 2008/09 financial year.

4.0 Background

4.1 At the meeting of the Budget Select Committee of 02 April 2009, Members requested of the Collector of Customs that the Immigration Policy Working Group (IPWG) should review immigration related fees coming under the Collector of Customs' departmental revenue vote 0300 0145 (Visas/Permits/Passports) and feed back the results to the Committee in time for approval for the 2009/10 budget.

4.2 IPWG met on 08 May 2009 to consider revisions of immigration related fees and the following was determined:

- a) Within the time frame available it would not be possible for IPWG to properly consider any radical changes to the current charging arrangements in respect of the wide range of fees involved and that to do so might conflict with future revisions of immigration policy;
- b) as an interim measure, applicable fees should be revised by application of the increases in the Retail Price Index (RPI) as has been experienced from when they were last revised and for the Collector of Customs to undertake this task and make recommendations to Executive Council accordingly;
- c) that a comprehensive review of the charging arrangements policy in respect of all immigration related fees, supported by activity based costing analysis should be completed by IPWG in time for consideration by Executive Council in readiness for the 2010/11 budget year.

4.3 The Collector of Customs completed the revision of applicable fees in accordance with 4.2 b) above, using relevant RPI information provided by the Director of Finance. Information regarding the fees and charges which are credited to vote 0300 0145 is provided at paragraphs **5.0** to **5.10**. Details of this revision exercise, including its corresponding fees proposals are given at **Annex A** to this paper.

5.0 Immigration Fees Revenue Credited to Revenue Head 0300 0145

5.1 Work Permits and Residence Permits

An application fee of £15 was introduced on 01 July 2002 and has not been reviewed since then. Applications are made by a principal applicant and where applicable his/her spouse, dependant children or dependant relatives may be included on the application. The applicable increase in RPI since the introduction of this fee is 26.9%.

5.2 Falkland Islands Visas

The only revision of FI visa application fees also occurred on 01 July 2002 with the adult application fee being increased from £5 to £20 and with an additional fee of £1 per dependant child included on an application remaining the same. Although the applicable RPI increase is also 26.9% no increase in the fees is proposed at this time as the number of visa applications is small with the majority of first applications being dealt with by British consular sections abroad who charge their own fees for their services. There also remains a need to complete a full overhaul of the FI visa regime.

5.3 Falkland Islands Status (FIS)

The Falkland Islands status application fee was last revised on 01 May 2007 when it was increased from £155 to £180. A ceremony fee of £130.00 was also introduced which is refunded in instances where applications are not approved. Where a spouse is involved, joint applications are accepted and only one fee is charged. There is no additional fee in respect of any dependant children included on an adult's application. The FIS fee was previously the same as the Permanent Residence Permit (PRP) fee.

5.4 Permanent Residence Permit (PRP)

Permanent residence permit fees were last increased on 01 July 2002 when the fee was increased from £150 to £155 per single or joint application and which also allowed for dependant children to be included at no additional cost. There has been a moratorium on the receipt of PRP applications in place since 25 January 2007 however this is expected to be removed on 01 August 2009.

5.5 British Passports

British Passport fees are prescribed under United Kingdom legislation and were revised on 09 April 2009. These fees are therefore not within FIG's control. The Customs and Immigration Department acts only as a processing and forwarding agent for the UK Passport Agency and for providing this service retains the difference between the fees that are chargeable in respect of applications made in the UK and the fees that are chargeable in respect of applications made to passport issuing posts abroad. The current revenue per application received by the C&I Department is:

- Adult application: £52.00
- Child application: £33.00

5.5 Emergency Passports

The fee for an emergency passport is also prescribed by legislation of the United Kingdom and is therefore not within FIG's control. This application fee was last revised on 09 April 2009 when it was increased from £55.50 to £69.00.

5.7 British Nationality Naturalisation, Registration and Renunciation Fees

British nationality (naturalisation and registration) fees are prescribed by the United Kingdom Government and are reflected in our own legislation, namely the British Nationality Ordinance. These fees were also revised on 09 April 2009 and therefore there is an immediate need to amend our own legislation to reflect those increases where applicable. Only the fees relating to applications for British overseas territories citizenship are received as revenue to FIG.

5.8 Consular Forwarding Fee

British citizenship applications are processed by the Customs and Immigration Department and then forwarded to the Governor who sends them on to the Home Office for their consideration. For the work involved, the department charges the applicant a forwarding fee which is prescribed under UK legislation and reflected in our own, namely the British Nationality Ordinance. This fee was revised from £59.00 to £63.00 on 09 April 2009 and therefore there is an immediate requirement for our legislation to be amended.

5.9 Issue of Seaman's Discharge Books

Approximately 10 Seaman's Discharge books are issued per annum with the fee charged being £10. As the stationery used is very old stock it is considered unnecessary to increase the fee.

5.10 Photograph Service

A charge of £7.50 is made for the provision of a set of four passport sized photographs and although this charge has remained unchanged since the mid1980's it more than adequately covers current costs as digital camera equipment is utilised.

6.0 Financial Implications

6.1 FY 2009/10 revenue in respect of vote 0300 0145 would be enhanced if the proposed increases in applicable fees rates are approved:

FY 2008/09 Original 0300 145 Revenue Estimate:	£ 41,640
FY 2008/09 Revised 0300 145 Revenue Estimate:	£ 33,670*
FY 2009/10 0300 145 Revenue Estimate if proposed fees revisions are approved:	£ 47,820

* Reduced demand for vote 0300 0145 services plus the non-lifting of the moratorium on the acceptance of PRP applications within the 2008/09 Financial Year.

7.0 Legal Implications

The Attorney General's Department is a member of IPWG and are aware that if the proposed revisions to immigration related fees are approved there will be a requirement to effect amendments to applicable legislation.

Description	Current Fee (£)	Date of Introduction/ Last Revised	RPI since last revision	Actual Calculation (£)	Proposed Revised Fee (£)	Estimated No.	Estimated 09/10 Revenue (£)	Remarks	Applicable Legislation
Work Permit Application	15.00	Introduced 01.07.02	26.9%	19.04	20.00	970	19,400.00	Application may include spouses & dependant children/relatives	Finance Ordinance 2002
Residence Permit Application	15.00	Introduced 01.07.02	26.9%	19.04	20.00	20	400.00	Same as above	Finance Ordinance 2002
FI Visa (Adult) Application	20.00	Revised 01.07.02	26.9%	n/a	20.00	35	700.00	No joint application	Finance Ordinance 2002
FI Visa Application (Per Child)	1.00	Revised 01.07.02	26.9%	n/a	1.00	5	5.00	Included in adult application	Finance Ordinance 2002
FIS Application	180.00	01.05.07	10.3%	198.54	200.00	10	2,000.00	Same fee for joint applications	FIS (Application Fee) (Amendment) Regs 2007
FIS Ceremony Fee	130.00	01.05.07	10.3%	143.39	140.00	10		£1,400 revenue but vired to Exp 0300 1171	FIS (Application Fee) (Amendment) Regs 2007
PRP Application	155.00	01.07.02	26.90%	n/a	200.00	30	6,000.00	Joint applications pay one fee. A quota may be introduced?	Finance Ordinance 2002
Passport adult application (FI revenue component)	52.00	09.04.09	n/a	n/a	n/a	158	8,216.00	Increased from £47	(UK) Immigration & Nationality (Fees) Regulations 2009
Passport Child application (FI revenue component)	33.00	09.04.09	n/a	n/a	n/a	83	2,739.00	Increased from £30	(UK) Immigration & Nationality (Fees) Regulations 2009
Emergency Passport Application	69.00	09.04.09	n/a	n/a	n/a	20	1,380.00	Increased from £59.50	(UK) Consular Fees Order 2007 replaced by CFO 2009 (UK)
Naturalisation BOTC Adult Single Application	575.00	29.05.07	n/a	n/a	640.00	3	1,920.00	Increase effective from date of corresponding amendment of FI legislation	British Nationality Ordinance (Amendment of Schedule) Order 2007 reflecting Immigration and Nationality (fees) Regulations 2007 as amended by I&N (fees) Regs 2009
Naturalisation BOTC Adult Joint Application	575.00	29.05.07	n/a	n/a	690.00	2	1,380.00	as above	
Registration BOTC Child Application	400.00	29.05.07	n/a	n/a	460.00	2	920.00	as above	
Registration BOTC Multiple Child Application	n/a	n/a	n/a	n/a	510.00	2	1,020.00	After two children, additional £50 per child - amendment required as above	
Renunciation of Nationality	385.00	29.05.07	n/a	n/a	395.00	0	0.00	Amendment required as above. Revenue would not accrue to FIG	British Nationality Ordinance (Amendment of Schedule) Order 2007 reflecting the (UK) Consular Fees Order 2007 replaced by CFO 2009 (UK)
Consular Forwarding Fee (BC applications)	59.00	Introduced 29.05.07	n/a	n/a	63.00	3	189.00	Increase effective from date of corresponding amendment of FI legislation	British Nationality Ordinance (Amendment of Schedule) Order 2007 reflecting the (UK) Consular Fees Order 2007 replaced by CFO 2009 (UK)
Issue of Seaman's Discharge Books	20.00	Historical	n/a	n/a	20.00	10	200.00		n/a
Photograph Service	7.50	Historical	n/a	n/a	7.50	180	1,350.00		n/a
Total							47,819.00		

Original Revenue Estimate 2008/09: £41,640.00

Current Revised Revenue Estimate 2008/09: £33,670.00 (-20%)

Revenue Estimate 2009/10 if proposed revisions to fees approved £47,820.00

*RPI information provided by Director of Finance