### Summary: Intervention & Options

<table>
<thead>
<tr>
<th>Department /Agency:</th>
<th>Title:</th>
</tr>
</thead>
<tbody>
<tr>
<td>U K Border Agency</td>
<td>Impact Assessment of consultation document: Earning the right to stay: A new points test for citizenship</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Stage:</th>
<th>Version:</th>
<th>Date:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consultation</td>
<td>1</td>
<td>27 July 2009</td>
</tr>
</tbody>
</table>

**Related Publications:** The path to citizenship: next steps in reforming the immigration system, published February 2008

**Available to view or download at:** [http://www.ukba.homeoffice.gov.uk/aboutus/consultations/current/](http://www.ukba.homeoffice.gov.uk/aboutus/consultations/current/)

**Contact for enquiries:** Benjamin Brown
**Telephone:** 02087608593

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### What is the problem under consideration? Why is government intervention necessary?

We believe there is a good case for strengthening aspects of the immigration system especially with regard to citizenship.

- We would like to reinforce the principle that citizenship is not an automatic right.
- We would like greater ability to manage the number of people progressing to citizenship
- We would like to continue to support the integration of migrants
- We would like to consider the role of local authorities in regard to citizenship

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### What are the policy objectives and the intended effects?

The policy measures in the accompanying consultation document are intended:

- To ensure newcomers must earn the right to stay by proving their commitment to the country – and only those who do will be rewarded with British citizenship.
- To introduce a points based test when individuals want to move from temporary residence in the UK to permanent settlement.
- To ensure that those migrants who do stay fully integrate into their communities. Speaking English and taking an active part in the community are all essential to integration.

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### What policy options have been considered? Please justify any preferred option.

The accompanying consultation documents considers options around:

- Points for probationary citizenship and increasing engagement between local authorities and migrants on the path to citizenship.
- Creating new roles, in regard to citizenship, for local authorities
- Improving integration through enhancing English language and knowledge of life requirements.
- Managing the impacts of migration on the developing world. Impacts of immigration.

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### When will the policy be reviewed to establish the actual costs and benefits and the achievement of the desired effects?

The policy proposals will be reviewed after the close of the consultation.

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### Ministerial Sign-off

For consultation stage Impact Assessments:

> I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options

Signed by the responsible Minister: Date: 27/7/2009
### Summary: Analysis & Evidence

<table>
<thead>
<tr>
<th>Policy Option: N/A</th>
<th>Description: Policy proposals as contained in the accompanying consultation document.</th>
</tr>
</thead>
</table>

#### ANNUAL COSTS

<table>
<thead>
<tr>
<th>One-off (Transition) Yrs</th>
<th>Description and scale of key monetised costs by 'main affected groups' UK – lost output</th>
</tr>
</thead>
<tbody>
<tr>
<td>£ unknown</td>
<td>UKBA – Staff training, IT costs, case working costs, appeal costs, reduced fee income (ILR), enforcement/removal costs.</td>
</tr>
<tr>
<td></td>
<td>Local Authorities – set up and case working costs</td>
</tr>
<tr>
<td></td>
<td>Migrants – Additional fees, opportunity costs.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Average Annual Cost (excluding one-off)</th>
<th>£ unknown</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Total Cost (PV)</th>
<th>£ unknown</th>
</tr>
</thead>
</table>

Other key non-monetised costs by ‘main affected groups’

- UKBA – engagement with the public sector, increased volume of appeals
- UK – Risk of lost output, abuse of immigration system

#### ANNUAL BENEFITS

<table>
<thead>
<tr>
<th>One-off</th>
<th>Local authorities – increased fee income from NCS +, reduced translation costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>£ unknown</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Average Annual Benefit (excluding one-off)</th>
<th>£ unknown</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Total Benefit (PV)</th>
<th>£ unknown</th>
</tr>
</thead>
</table>

Other key non-monetised benefits by ‘main affected groups’

- UKBA – Incentive to apply for citizenship, possible reduction in criminal activity, efficient case working, control of length of probationary citizenship, increased community cohesion
- UK – improved relations with Developing Country Governments, better integration of migrants

### Key Assumptions/Sensitivities/Risks

<table>
<thead>
<tr>
<th>Price Base Year</th>
<th>Time Period Years</th>
<th>Net Benefit Range (NPV)</th>
<th>NET BENEFIT (NPV Best estimate)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unknown</td>
<td>Unknown</td>
<td>£ unknown</td>
<td>£ unknown</td>
</tr>
</tbody>
</table>

- What is the geographic coverage of the policy/option? UK wide
- On what date will the policy be implemented? TBC
- Which organisation(s) will enforce the policy? Primarily UKBA
- What is the total annual cost of enforcement for these organisations? £ unknown
- Does enforcement comply with Hampton principles? N/A
- Will implementation go beyond minimum EU requirements? N/A
- What is the value of the proposed offsetting measure per year? £ N/A
- What is the value of changes in greenhouse gas emissions? £ N/A
- Will the proposal have a significant impact on competition? Yes/No

#### Impact on Admin Burdens Baseline (2005 Prices)

<table>
<thead>
<tr>
<th>Increase of</th>
<th>Decrease of</th>
<th>Net Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>£</td>
</tr>
</tbody>
</table>

Key: Annual costs and benefits: Constant Prices (Net) Present Value
BACKGROUND
In February 2008, the Government published the Green Paper “The Path to Citizenship: Next Steps in Reforming the Immigration System”. The Green Paper combined our proposals for reform of the path to citizenship with more detailed proposals for simplifying immigration law. It set out a radical approach to migrants earning the right to live permanently in the UK and become British Citizens. This “new journey to citizenship” reflects our and the public view that rights should be matched by responsibilities and will help us to manage migration in such a way that it maximises the benefit to Britain, while also allowing us the flexibility to manage any local impacts.

The new Borders, Citizenship and Immigration Act 2009 sets the framework for a clearer and fairer journey to citizenship, which strikes the right balance between demonstrating commitment to the UK and gaining access to its privileges. In doing so, the Act breaks, for the first time, the automatic link between coming to the UK to work or study on a temporary basis and staying permanently.

RATIONALE
We now want to go further and consult upon the next phase of immigration reform as we believe there is a good case for strengthening the immigration system, especially with regard to citizenship:

- We need to reinforce the principle that citizenship is not an automatic right by introducing a points-based test to move from temporary residence to permanent settlement;
- There should be more engagement between migrants on the path to citizenship and Local Authorities to improve community cohesion and integration;
- There is potential to do more to improve the integration of temporary residents into British society;
- There is limited information on how migration works for developing source countries.

OBJECTIVES
The key objectives are as follows:

- To ensure newcomers must earn the right to stay by proving their commitment to the country – and only those who do will be rewarded with British citizenship.
- To introduce a points based test when individuals want to move from temporary residence in the UK to probationary citizenship\(^1\). This would enable us for the first time to control the numbers of people progressing to citizenship in the UK, for the benefit of the British people and the economy.
- To increase engagement between local authorities and migrants progressing to citizenship

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\(^1\) Please see Annex B of the accompanying Consultation document for an overview of the Earned Citizenship stage of the Immigration System.
To ensure that those migrants who do stay fully integrate into their communities. Speaking English, working hard, paying tax, and taking an active part in the community are all essential to integration.

To ensure migration works to the benefit of the UK. But to also to take action to ensure that it does not lead to a ‘brain drain’ from developing countries.

**Description of Key Proposals**

**PART 1**

**POINTS BASED SYSTEM FOR PROBATIONARY CITIZENSHIP APPLICATIONS**

We are considering whether we should introduce a points-based system at the probationary citizenship stage. This would build on the earned citizenship infrastructure we have set out in the Act, as a logical, next phase of reform. This would be initially be based on existing criteria meaning the majority of applicants that are currently granted settlement would achieve the points to qualify for Probationary Citizenship. Those who do not meet the points test will have to leave the country. The points table will include minimum requirements which everyone must meet as well as factors which will attract additional points.

The minimum requirements will include having English language proficiency and knowledge of life in the UK; individuals (except refugees) having sufficient funds to support themselves without access to benefits; and individuals not having served a custodial sentence.

Additional points will be awarded for a continuing family relationship or protection need for those on the family and protection routes respectively. These points will be enough to pass the test.

A more sophisticated points test will be applied to those on the economic route, building on the PBS test which will have been applied on entry. Factors that will be taken into account will include:

- Earning potential – points to be awarded on a scale of earnings
- Special artistic, literary or scientific talent
- Qualification – points to be awarded for a relevant qualification gained in the preceding five years
- Shortage occupation – points to be awarded for employment in a shortage occupation
- English – points for an English language qualification above existing requirements
- Location - points for living and working in a part of the UK determined to be in need of fresh talent, such as Scotland.

It is possible that points will be deducted for failure to integrate into British ways of life.

By making a self-assessment tool available on the UKBA website, a points-based system would enable applicants to check in advance whether they met the criteria for probationary citizenship, leading to fewer flawed applications. As well as improving the transparency of decision-making, this will allow applicants to plan activity to meet our threshold and even delay applications where necessary until they believe they will meet the requirements.

**LOCAL AUTHORITIES AND EARNED CITIZENSHIP – NCS PLUS**

The consultation proposals aim to increase the involvement of Local Authorities in Delivering Earned Citizenship in the following ways:

- To deliver quality assured applications at each stage of the citizenship journey.
To extend the role of Local Authorities to provide a primary point of contact for citizenship applicants; to continue local authorities’ role in conducting a citizenship ceremony for Citizens.

To complement the application and checking service through provision of simple advice and sign-posting, and performing a pivotal role in co-ordinating relevant local authority functions, to provide a holistic service to the migrant.

To deliver increased Local Authority involvement in EC, the UK Border Agency will work with the Local Government Association and individual local authorities to increase capacity around the country to guarantee accessibility for migrants. There are various ways that this could be achieved:

- Mandating applicants to submit applications through the service (either on the basis of complete coverage or limited to those applications with an active citizenship element)
- Incentivising the use of the service through a premium service standard

Part 2

INTEGRATION

The “Earned Citizenship” agenda already includes integration initiatives – for example on English language and active citizenship – which speaks to the integration agenda.

However, we recognise that more could be done to improve integration. Options include:

- Reforming English language requirements
- Reforming Knowledge of Life in the UK requirements
- Further support for those trying to integrate
- Cross-Government co-ordination and/or external advisory body on citizenship/ integration

Part 3

MANAGING THE IMPACTS OF MIGRATION

To date our migration narrative has been focused on the benefits of migration to the British economy and the British people. The impact on the developing countries whose talent we are using has not been considered.

We want to develop proposals to make migration work better for those developing countries. A number of options exist and we want to consult and listen to other views.

Schemes could be facilitated on a general basis, or they could be targeted at migrants from those countries and economic sectors most affected by brain drain.

COSTS AND BENEFITS

In this initial impact assessment we discuss areas where the Consultation proposals may give rise to costs or benefits. We are seeking comments on whether the scope of identified costs and benefits seems broadly correct.

Following this consultation, as part of the policy development process, we shall develop robust, detailed Impact Assessments for each area of activity, measuring the impact on the public, private and third sectors and including an assessment of risk. We shall also address the specific impact tests required by the Impact Assessment process, such as the construction of an Equality Impact Assessment and a new burdens assessment for the impact on local authorities.
We discuss potential direct costs and benefits under four headings relating to distinct aspects of the proposed policy: Points for Citizenship; Local Authority involvement; Integration; and Managing the Impacts of Migration.

PART 1

POINTS FOR CITIZENSHIP

The proposal to introduce a points-based system prior to Probationary Citizenship will mainly have impacts on the public sector. The table below sets out the key costs and benefits:

<table>
<thead>
<tr>
<th>Key Costs and Benefits of Points Based Probationary Citizenship proposals</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Key Monetised Costs</strong></td>
</tr>
<tr>
<td>To UKBA</td>
</tr>
<tr>
<td>• Training costs for case workers: staff involved in case working in affected routes will need to be trained in the new architecture and progression rules and guidance, and any changes to case working processes as a result.</td>
</tr>
<tr>
<td>• Costs of implementing the Points Based programme: e.g. non-staff costs of IT changes.</td>
</tr>
<tr>
<td>• Ongoing case working costs</td>
</tr>
<tr>
<td><strong>Key Non-Monetised Costs and Risks</strong></td>
</tr>
<tr>
<td>To UKBA</td>
</tr>
<tr>
<td>• Risks of lost output if migrants are deterred by the new architecture and progression system.</td>
</tr>
<tr>
<td>• Risk of an increase in refused applications, and subsequent appeals.</td>
</tr>
<tr>
<td>• Enforcement costs of removing those that fail to qualify.</td>
</tr>
<tr>
<td><strong>Key Non-Monetised Benefits</strong></td>
</tr>
<tr>
<td>To UKBA</td>
</tr>
<tr>
<td>• Control over length of time people who apply for probationary citizenship take to navigate the system and control over the volume of people who are able to apply for subsequent citizenship.</td>
</tr>
<tr>
<td>To Public / applicants</td>
</tr>
<tr>
<td>• Benefits to the public and to migrants due to a clearer system architecture and more transparent rules and guidance on entitlements and qualifying criteria at each stage of the journey to citizenship.</td>
</tr>
</tbody>
</table>

LOCAL AUTHORITIES AND EARNED CITIZENSHIP – NCS PLUS

| Key Costs and Benefits of Local Authorities NCS plus proposals |
### Key Monetised Costs

**To LA’s**
- Set up costs
- Ongoing case working costs

**To citizenship applicants**
- Additional fees for LA to check active citizenship requirement.

### Key Monetised Benefits

**To LA’s**
- Fee revenue from citizenship applicants to cover case working costs

### Key Non-Monetised Benefits

**To UKBA/applicants**
- Quicker case working costs
- Increased integration of migrants into local communities.
- Increased public confidence in the migration system.

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**PART 2**

**INTEGRATION**

### Key Costs and Benefits of Integration proposals (English Language and Knowledge of Life)

#### Key Monetised Costs

**To UKBA**
- Training costs for case workers
- Ongoing case working costs and additional processing time
- Potential increase in appeal costs
- Potential increase in enforcement and removal costs

**To citizenship applicants**
- Additional fees for extra tests and language tuition.

#### Key Non-Monetised Benefits

**To UKBA/applicants**
- Increased integration of migrants into local communities.
- Increased public confidence in the migration system.

**To UK**
- Increase in UK output due to enhanced knowledge of English language.
### Key Costs and Benefits of Migration and Development proposals

_Migrants could spend a period in the UK of up to around two years to acquire the benefits of study or work before returning to invest these skills in their country of origin._

#### Key Monetised Costs

**To UKBA/DfID**
- Research and development of training posts that would provide substantial value to developing countries
- Additional enforcement to ensure migrants return to home countries
- Additional removals
- Ongoing cost of running scheme, including minimising abuse of the scheme
- Migrants' integration support

**To UKBA/DfID/migrant/UK companies**
- Travel to and from UK for migrants that take up posts

#### Key Non-Monetised Costs and Risks

**To UKBA**
- Engagement with private sector to promote and develop scheme

**To HMG**
- Negative response from some governments and foreign citizens if not all nationalities are allowed to participate
- Negative public response to creating posts for foreign workers
- Impact on brain drain may be limited

#### Key Non-Monetised Benefits

**To DfID**
- Strong government relations with communities in developing countries
- Stronger diaspora relations with communities in developing countries

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*Migrants legally resident in the UK could return home for extended periods and apply a ‘pause’ button on their leave in the UK, meaning they could return to the UK without having to reapply for entry clearance:*

#### Key Monetised Costs

**To UKBA/DfID**
- Resource cost of amending immigration rules and training staff in new procedure.
- Additional case working costs

**To migrant**
- Opportunity cost of earning lower wage (and no remittances sent home) during additional period spent in home country
- Additional travel to home country and back if required to return post-study
### Key Non-Monetised Costs and Risks

**To UK companies**
- UK companies may experience skill shortages if graduates choose to first return home for a period

**To HMG**
- Negative reaction from countries not selected for the initiative

### Key Non-Monetised Benefits

**To HMG**
- Positive view of UK’s immigration policy by countries affected by brain drain

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Those seeking to become British citizens might bolster their application through choosing to spend time in their country of origin undertaking work with developmental benefit.

### Key Monetised Costs

**To migrant**
- Travel to and from developing country

**To UKBA/DfID**
- Additional case working costs
- Staff training to incorporate additional element to Earned Citizenship process

**To migrant**
- Opportunity cost of earning lower wage (and no remittances sent home) during additional period spent home country

### Key Non-Monetised Costs and Risks

**To UK**
- Encouraging future citizens to spend long periods out of the UK doesn’t aid the process of integration into British life

**To migrant**
- Interruption in UK employment which may damage career prospects

**To HMG**
- System could be abused and used as mechanism to bypass rules on maximum absence period

### Key Non-Monetised Benefits

**To HMG**
- Positive view of UK’s immigration policy by countries affected by brain drain
- Negative reaction of citizens of countries not selected for the initiative
Specific Impact Tests: Checklist

Use the table below to demonstrate how broadly you have considered the potential impacts of your policy options.

Ensure that the results of any tests that impact on the cost-benefit analysis are contained within the main evidence base; other results may be annexed.

<table>
<thead>
<tr>
<th>Type of testing undertaken</th>
<th>Results in Evidence Base?</th>
<th>Results annexed?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Competition Assessment</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Small Firms Impact Test</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Legal Aid</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Sustainable Development</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Carbon Assessment</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Other Environment</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Health Impact Assessment</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Race Equality</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Disability Equality</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Gender Equality</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Human Rights</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Rural Proofing</td>
<td>No</td>
<td>No</td>
</tr>
</tbody>
</table>

**Small Firms Impact Test**
Based on the information available to date, the proposals in this document will not have any significant impact on small business.

However, we will work closely with BERR to ensure any small firms with an interest in the proposed reforms are encouraged to contribute to the 12 week online public consultation.

**Legal Aid**
We will continue to work with the Ministry of Justice throughout the consultation period to further assess the impact in this area.

**Equality Impact Assessment**
The proposed reforms do not discriminate on the grounds of race, age, faith and belief, disability, sexual orientation or gender.

Following this consultation, as part of the policy development process, we shall develop robust, detailed Impact Assessments incorporating each area of activity, measuring the impact on the public, private and third sectors and including an assessment of risk. We shall also address the specific impact tests required by the Impact Assessment process.