

The fee barrier: can you afford the place you call home?

Every time someone makes an application for permission (known as 'leave') to enter or remain in the UK, a fee must be paid to the Home Office. This fee includes a profit margin, which varies depending on the type of application.

Even those who were born in the UK or have lived their entire lives here may need to apply for leave to remain in the country. Without leave, you cannot work, access healthcare, rent property or hold a bank account. Some children and young people will have leave to remain, but only on a temporary basis and will need to pay to renew it. A young person who has leave to remain in the UK on the basis of their family or private life will usually be granted 2 ½ years leave, and will need to renew this four times, each at high cost, before they can apply for settlement.

Young people will not always need to go through a ten year route to settlement, some may be entitled to citizenship, or if their future is clearly in the UK, may apply for discretionary citizenship. However, the acquisition of citizenship is still expensive.

Our recent report found that only 15% of the estimated number of undocumented children living in the UK have been able to regularise their status, or have left the country.¹ High application fees have been identified by charities and youth groups as one of the main barriers to regularisation. High fees are consistent with the government's 'hostile environment' agenda, designed to reduce immigration by encouraging people to leave the UK. However, high fees have not led to an increase in removals. Instead they have left thousands of children and young people living in a form of legal limbo, unable to regularise and fully contribute to society.

How much are the fees?

A one off application for limited leave to remain (not for study or work) is £1,033 and will normally result in 2 ½ years' leave. On top of this, there is a health surcharge of £200 per year, which is set to double. This means that by the end of 2018, 30 months of leave to remain will cost £2,033 up front.²

An application for settlement – indefinite leave to remain – is even more expensive. It costs £2,389 to become settled in the UK. Many young people will need to have had ten years limited leave before they can apply for settlement, so the total cost over the ten years would be £10,521 at today's rates. The cost for a family of four would be equivalent to a deposit on a detached house.³ These costs increase year on year as the Home Secretary increases the fees. However, the costs of processing the applications do not increase at the same rate, widening the profit-making gap. The fee levels far outstrip the unit cost to the Home Office of processing applications.⁴

¹ Coram Children's Legal Centre, "This is my home": Securing permanent status for long-term resident children and young people in the UK, June 2017 at <http://www.childrenslegalcentre.com/this-is-my-home/>

² www.gov.uk/government/uploads/system/uploads/attachment_data/file/691146/Gov_uk_fees_revision_2018_final.pdf

³ <https://www.gov.uk/government/publications/uk-house-price-index-summary-january-2018/uk-house-price-index-summary-january-2018>

⁴ See Table of Fees and Unit Costs – April 2018, at https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/691200/Fees_Unit_Cost_Table_-_April_2018.pdf

Type of application	Fee	Cost to Home Office	Profit to Home Office	Increase since 2014 ⁵
Limited leave to remain	£1,033	£142	£891 (86% of fee)	72%
Indefinite leave to remain	£2,389	£243	£2,146 (90% of fee)	119%
Citizenship (child)	£1,012	£372	£640 (63% of fee)	51%

Why have the fees been made so high?

The Home Office has justified high fees on the grounds that being granted permission to stay in this country brings considerable benefits. However since that argument was first used, there have been significant changes to the immigration system. Limited leave to remain is now granted for only a short period, with a much longer route to settlement. When originally proposed, most people were expected to acquire indefinite leave to remain in six years after two applications, or in some cases after two years and one application. Now many people will make four applications over ten years, and be subject to the ‘no recourse to public funds’ condition meaning that for many people, the benefits of having leave have been significantly reduced from when the fee increases were first proposed.⁶ Many of those who are struggling to afford the application fees are applying for further periods of leave to remain, so they are lawfully in the UK, they simply cannot afford to pay the ever increasing fees. An individual making an immigration or nationality application would also pay additional fees for any other costs relating to your application, such as a citizenship ceremony.⁷

What is the money raised through fees used for?

The Government is aiming ‘to reduce taxpayer contributions towards the border, immigration and citizenship system and ensure that by 2019–2020 the system is self-funded by those who use it.’⁸ This implies that the benefits of regularisation are only felt by the individuals making applications, and so the responsibility for funding it should fall to them. However, we all benefit from an efficient and well administered borders and immigration system. The impact has also been greatest on those who have grown up in the UK and whose applications are based on their length of stay. In 2016, fees for settlement, residence and nationality applications rose by 25% whereas fees for study, work or visits rose by only 2%.⁹

Furthermore, children who apply for registration as a British citizen by entitlement are simply registering a right that they have already been given by Parliament, but they still need to pay over £1,000 to do so, of which over £600 represents profit to the Home Office. There should be

⁵ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/352626/2014-15_Fees_Table_excl_unit_costs_October_v1.pdf

⁶ In Sept 2009 a consultation under the Labour government proposed the link between benefits of permanent forms of leave and temporary leave. 50% of respondents also disagreed with a proposal to charge more for dependants. This consultation was referenced when fees for dependents were increased in 2013. Available at: <http://webarchive.nationalarchives.gov.uk/20100408165257/http://www.ukba.homeoffice.gov.uk/sitecontent/documents/aboutus/consultations/charging09/>

⁷ Registering required biometric information costs £19.20, a citizenship ceremony for adults who gain citizenship costs £80.

⁸ <https://www.gov.uk/government/news/new-immigration-and-nationality-fees-for-2016-to-2017>

⁹ Ibid

no profit based barrier to exercising a right to citizenship given to a child or young person by Parliament.

Making the border, immigration and citizenship system self-sustaining should not come at the cost of preventing children and young people accessing their rights, or leaving them in a legal limbo. It is not fair or proportionate to deprive young people of status in order to make a government department cost neutral. It also prevents those young people from working, paying tax and contributing economically to society.

Why can't someone just save up for the fees?

A lot of people who are applying for leave to remain in the UK are in work and are able to save the fees. However, leave to remain is only granted for relatively short periods of time - two and a half years is the standard grant period. This means that a young person will need to find £2,000 each time. A family of four would need to save over £8,000 every two and a half years. This does not include any legal fees to help complete the application. Shelter estimates that 4 in 10 adults in the UK do not have enough savings to meet one month's rent,¹⁰ yet the fee that a young person needs to find far exceeds the average monthly rent. Each year, families are expected to pay more in immigration fees than the average UK household would pay for food.¹¹

It is also difficult to save when you don't know how much the fee will be because of the annual increases. In one example, a single mother had saved enough to apply for indefinite leave to remain for her and her child, but just before she was able to submit the application, the fees increased. This left her £844 short of the total to make the application with only seven days to go until her leave expired.

What about the fee waiver?

Whilst some people can apply for the fee waiver, the threshold to be eligible is very high and fee waivers are only available for applications for limited leave to remain.

To qualify for a fee waiver, you must show that you are destitute, or that you would not be able to borrow the money or be able to save it over a twelve month period. There is no partial fee waiver available. Even those families receiving support from a local authority because they were previously homeless do not automatically qualify. Young people are extremely unlikely to be granted a fee waiver, with less than 1% of children and young people under 25 having their applications accepted.¹² If a request is rejected, then you have ten days to pay the fee before your application is rejected. In this case, you lose your status, and become undocumented.

There is no fee waiver for settlement (ILR) or citizenship. There is a fee exemption for children in care to apply for settlement, but not for citizenship. This incentivises applying for short, unstable periods of leave over establishing a firm and permanent connection to the UK.

¹⁰ https://england.shelter.org.uk/data/assets/pdf_file/0005/960314/Final_summary.pdf

¹¹ £53.20 a week based on Office of National Statistics figures. See <https://www.moneyadvice.service.org.uk/blog/how-does-your-household-food-spend-compare>

¹² FOI response from UK Visas and Immigration to Coram Children's Legal Centre, February 2018 – in 2015 and 2016 there were 3,850 applications in total, with only 350 fee waiver applications granted.

If someone cannot afford the fee, but is not granted the fee waiver, then they may lose their immigration status. This means that they cannot work, so will have less chance of being able to pay the fee. It also means that any time they have spent in the UK is not counted towards the ten years' leave they need before they can apply for settlement, effectively sending them back to square one. In some cases, families are only able to afford for some members to apply for leave to remain. This means that they are forced to choose who is the highest priority, leaving other children without status. People who are struggling might borrow money from loan sharks, at very high interest rates, then they are stuck trying to save for the future as well as paying off the debt from the past.

Recommendations

- **Undertake a child rights impact assessment of the impact of fees on children and families subject to immigration control.**¹³
- **Remove profit making on children's applications.** The need for a child to have immigration status and certainty should not be jeopardised by the Home Office profit-making. It cannot be in the child's best interest to pay more than their application costs to process, and profit-making should be removed on these applications.
- **Amend and extend the fee waiver system so that ability to pay is assessed on means rather than the extremely high destitution threshold.** Fee waivers should be means tested on a sliding scale, similar to legal aid. This would ensure those **reapplying** but who is receiving benefits or in low-paid employment are able to renew their leave. Pushing low-paid individuals and families out of lawful status is in no one's interest. **Additional fee waivers should be available for settlement.** Leaving someone who cannot afford the high fees to continually apply for limited leave past the ten year period serves no purpose in terms of immigration control. It punishes those who are too poor to buy their way to stability and prevents young people from making decisions about their future.
- **Introduce certainty around fee increases:** increases, if justifiable, should match inflation and other Government increases. This provides certainty in terms of how far increases will rise year on year, and allows individuals the opportunity to save for the next increase. The current system to increase fees is arbitrary, and fees are set at a level too high for most people to afford. Fees should not go up every year without a business case for doing so.
- **Families in receipt of local authority support should automatically be exempt from paying fees where they provide a copy of the support given to them, or where it can be easily ascertained by the Home Office.** This minimises the work required by preventing the duplication of assessments.
- **Introduce an exemption to citizenship fees for looked after children.** In some cases, looked after children will qualify for citizenship but not ILR. High fees can deter applications, and represent a cost shift onto local government as local authorities will have to pay for them.
- **Commit to ensuring no children and young people with EU rights face high fees that act as a barrier to regularisation.**
- **End punitive policies that punish those who have regular status.** Parents and children face unacceptable levels of poverty due to high fees and implementation of the NRPf condition.

¹³ The Impact Assessment for Immigration and Nationality (Fees) Regulations 2018 makes no reference to the children and their rights: http://www.legislation.gov.uk/ukia/2018/59/pdfs/ukia_20180059_en.pdf