

Summary: Intervention & Options

Department /Agency:	Title: Impact Assessment of Business and Special Visitors	
Stage: Final	Version: 1.0	Date: 5 September 2008
Related Publications:		

Available to view or download at:

<http://www.ukba.homeoffice.gov.uk/managingborders/managingmigration/businessandspecialvisitors/>

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

To control migration to profit the UK. Around 9 million business visitors come to the UK each year and the business they generate is of significant benefit to the UK. We need to make sure that our system for policing such visits ensures that only short term visitors come under this category.

What are the policy objectives and the intended effects?

To ensure that the UK remains an open and attractive place to do business, while delivering a secure border system. The new business and special visitor route of entry will make it clear who can come as a business traveller and who needs to come under the Points Based System because they are carrying out business activities other than those included in the permissible activities for business visitors.

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

2 options have been considered:

Option 1: Do nothing

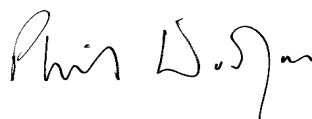
Option 2: Implement new business and special visitor route

The preferred option is option 2 as this addresses the policy objectives and over time maximises the economic benefit for both the public and private sector.

When will the policy be reviewed to establish the actual costs and benefits and the achievement of the desired effects? The policy is to be continuously monitored as part of the review of progress towards meeting PSA 3: "to ensure controlled, fair migration that protects the public and contributes to economic growth".

Ministerial Sign-off For SELECT 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: 15 October 2008

Summary: Analysis & Evidence

Policy Option:	Description:
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COSTS	ANNUAL COSTS	Description and scale of key monetised costs by 'main affected groups' Familiarisation time taken to adopt new rules. Less than 10% for government caseworkers and the remaining cost falls to UK businesses		
	One-off (Transition) Yrs			
	£ 556,000			
	Average Annual Cost (excluding one-off)			
	£ 0	Total Cost (PV)	£ 556,000	
Other key non-monetised costs by 'main affected groups'				

BENEFITS	ANNUAL BENEFITS	Description and scale of key monetised benefits by 'main affected groups'. UK Business – A clearer and more efficient process leading to a reduction in the time taken for future applicants to read and understand the Business and Special Visitor category process.		
	One-off Yrs			
	£ 0			
	Average Annual Benefit (excluding one-off)			
	£ 73,000	Total Benefit (PV)	£ 636,000	
Other key non-monetised benefits by 'main affected groups' Clearer rules could lead to a modest increase in the number of business visitors to the UK so positively impacting on the UK economy.				

Key Assumptions/Sensitivities/Risks Little is known about the numbers of businesses in the UK affected by the changes in rules. The sensitivity analysis addresses this uncertainty.

Price Base Year 2008	Time Period Years 10	Net Benefit Range (NPV) £ 40,000 to 121,000	NET BENEFIT (NPV Best estimate) £ 80,000
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What is the geographic coverage of the policy/option?	Worldwide			
On what date will the policy be implemented?	November 2008			
Which organisation(s) will enforce the policy?	UKBA			
What is the total annual cost of enforcement for these organisations?	£			
Does enforcement comply with Hampton principles?	Yes			
Will implementation go beyond minimum EU requirements?	No			
What is the value of the proposed offsetting measure per year?	£ 0			
What is the value of changes in greenhouse gas emissions?	£ 0			
Will the proposal have a significant impact on competition?	No			
Annual cost (£-£) per organisation (excluding one-off)	Micro	Small	Medium	Large
Are any of these organisations exempt?	No	No	N/A	N/A

Impact on Admin Burdens Baseline (2005 Prices)		(Increase - Decrease)	
Increase of	£0	Decrease of	£0
		Net Impact	£ 0

Key: Annual costs and benefits: Constant Prices (Net) Present Value

Evidence Base (for summary sheets)

Rationale

To control migration to profit the UK. Around 9 million business visitors come to the UK each year and the business they generate is of significant benefit to the UK. It is important to maintain that investment. We are introducing a Points Based System for longer-term economic migrants and it makes sense to modernise our visa system for short term visits, so that our system for policing such visits ensures that only short term visitors come under this category. If it is to be clear to business visitors what they can and cannot do while in the UK, and how they can ensure that they do not break the rules, the permissible activities must be clear. The new category aims to provide that clarity.

Objectives

To ensure that the UK remains an open and attractive place to do business, while delivering a secure border system. The new business and special visitor route of entry will safeguard the visitor route from abuse while welcoming those who will enrich this country culturally and economically, making it a global hub of global talent. We aim to create a clear, distinct category for business and special visitors that clarifies uncertainties in the current Immigration Rules and concessions while maintaining flexibility to allow short term business activity

Appraisal of the Preferred Option: Summary of NPV calculation

Summary of NPV calculation

The changes to the business visitor route entail consolidating current business visitor and other routes into a simpler, more easily understood system and formalising and clarifying many of the current Rules and concessions outside the Rules. We expect the impacts of this to have initial costs as case workers and some businesses familiarise themselves with the new Rules but in the long-term for these costs to be recovered through the gains resulting from a clearer and more coherent system. We expect these gains to be realised in the form of increased efficiency e.g. lower familiarisation time required in the future and possibly a modest increase in the number of business visitors leading to gains to UK business. However, due to the modest nature of the changes to the rules, we expect these impacts to be negligible.

Although there will be changes to the Rules for business travellers, estimating the impact of this change on UK businesses is difficult. Much of the impact will fall on businesses and individuals who reside outside of the UK and therefore out of scope for an Impact Assessment. Although we know that around 9 million business visitors enter the UK each year, there is no information available for the number of UK businesses involved in processing these applications and so we cannot reliably estimate how many businesses would be affected. With these uncertainties in mind, we choose to adopt the following assumptions:

Area	Assumption
Stock of caseworkers (who will encounter re-familiarisation costs)	2,000
Stock of regular private sector users of the system in the UK (who will encounter re-familiarisation costs)	200,000 (10% of the estimated 2 million businesses in the UK)

Annual flow of new Caseworkers (who will benefit from familiarisation time savings)	300 (Assumed 15% turnover per year)
Annual flow of new private sector users of the system in the UK (who will benefit from familiarisation time savings)	40,000 (Assumed 20% turnover per year)
Re-Familiarisation time for regular users	15 minutes
Time saving for new users	10 minutes
Cost of Administration time per hour	£11

Note we assume a slightly higher turnover for the private sector to account for employees changing roles within organisation and the possibility of existing employees needing to refresh their knowledge of the migration rules due to a lower incidence of use than caseworkers.

To create a range of estimates, we assume that between 5% (100,000) and 15% (300,000) of businesses in the UK use the route. Overall this creates a central NPV estimate over 10 years of £80,000 and a range of £40,000 to £121,000

Equality Impact Assessment

The UK immigration system has a very wide pool of potential users who can come from anywhere in the world. The criteria for entry and leave to remain are designed to maximise the benefit to the UK of the particular route of entry, whether for economic or cultural purposes, and are the same for all potential migrants from outside the UK.

This Equality Impact Assessment (EIA) has been conducted on the proposals for the Business and Special Visitors visa in order to assess the likely impact of the new route on the diverse groups affected by it.

The potential impacts of the policy have been assessed in relation to all seven equality target areas. It also describes what we will be doing in the future to monitor the impact of the policy, and describes the consultation process we have undertaken.

The new Business and Special Visitors category rationalises rather than changes substantively the requirements that have been in place until now for business visitors, sportspeople and entertainer visitors and a range of separate categories of visitor. These are generally long standing and no specific equality impact concerns have been raised previously. There are no changes to the entry clearance requirements or maximum length of stay for any of the groups we are including in the category.

Stakeholders have not identified any adverse impacts in the business and special visitors category, including in relation to the formalisation of routes of entry that have been concessions until now, in the areas of:

- Race and Belief
- Disability
- Gender
- Gender Identity
- Age
- Sexual Orientation
- Ethnicity

Action Plan

This impact assessment has not identified any areas of perceived disproportionate impact. However, where appropriate, actions to mitigate unforeseen, disproportionate impacts or barriers will be undertaken. As with any new policy, there is a degree of uncertainty as to the actual impact, which will only be resolved by monitoring its impact as it operates.

The following action plan has been approved by Liam Byrne, Minister of State for Borders and Immigration.

- Monitoring and Review arrangements: Improved management information will be used to monitor the impact of this policy on the seven equality targets.
- Ongoing stakeholder engagement: Where quantitative data is not available, we will review the policy a year after launch with stakeholders to check for any disproportionate effects.

Stakeholder groups consulted

A draft Statement of Intent for the business and special visitor category was sent to the following stakeholder groups for comment in relation to all equality impact target areas:

ILPA

The Interfaith Network for the UK

Citizens Advice

Equality and Human Rights Commission

Age Positive

Office for Disability Issues

Employers Forum on Age

Stonewall

a: gender

Terence Higgins Trust

The 1990 Trust

Runnymede Trust

Immigration Advisory Service

Local Government Association

Convention of Scottish Local Authorities

Women's National Commission

Press for Change

Gender Identity Research and Education Society

Equality Network

Specific Impact Tests

We expect this policy option to have no significant impacts for any of the remaining specific impact assessments.

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.

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

Annexes