

Title: Reforming support for failed asylum seekers and other migrants without immigration status [UPDATED] IA No: HO0195 Lead department or agency: Home Office Other departments or agencies: Department for Communities and Local Government, Department for Education, Department for Work and Pensions, Devolved Administrations	Impact Assessment (IA)		
	Date: 28/01/2016		
	Stage: Final		
	Source of intervention: Domestic		
	Type of measure: Primary legislation		
	Contact for enquiries: Simon Bentley		

Summary: Intervention and Options	RPC Opinion: Not Applicable
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Cost of Preferred (or more likely) Option				
Total Net Present Value	Business Net Present Value	Net cost to business per year (EANCB on 2009 prices)	In scope of One-In, Two-Out?	Measure qualifies as
£470m	£0	£0	No	NA

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

Public money should not be used to support failed asylum seekers and other migrants without immigration status who can leave the UK and should do so. Following consultation, the Immigration Bill will curtail the scope for such support, in a manner consistent with our international and human rights obligations, and remove incentives for migrants to remain in the UK where they have no lawful basis for doing so.

What are the policy objectives and the intended effects?

We intend: (i) to ensure that asylum seekers who would otherwise be destitute continue to receive adequate support while their claim is under consideration; (ii) to rebalance the support system so that failed asylum seekers and other migrants without immigration status have no financial incentive to remain in the UK rather than return to their own country; (iii) to retain important safeguards for children; and (iv) to reduce costs to the public purse.

What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence Base)

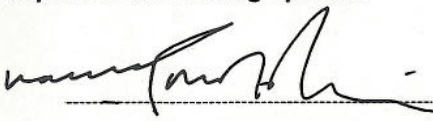
The policy options considered in this impact assessment are:

- 1 Do nothing: support for many failed asylum seekers will continue while they remain in the UK.
- 2 Remove support for failed asylum seekers whose asylum claim is finally rejected on or after 1 July 2016, except those with outstanding further submissions or a medical or other practical reason outside their control why, for the time being, they cannot leave the UK; and simplify the system under which local authorities can provide accommodation and support to destitute families and adult care leavers without immigration status, pending resolution of their status or their departure from the UK.

Following consultation, Option 2 is the preferred option that will be taken forward. Option 1 is considered as the counterfactual case.

Will the policy be reviewed? It will be reviewed. If applicable, set review date: 3 years post implementation					
Does implementation go beyond minimum EU requirements?			Yes		
Are any of these organisations in scope? If Micros not exempted set out reason in Evidence Base.	Micro N/A	< 20 N/A	Small N/A	Medium N/A	Large N/A
What is the CO ₂ equivalent change in greenhouse gas emissions? (Million tonnes CO ₂ equivalent)			Traded:		Non-traded:

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: 29/01/16

Summary: Analysis & Evidence

Policy Option 2

Description: On or after 1 July 2016 i) Remove support for failed asylum seekers whose asylum claim is finally rejected on or after 1 July 2016, except those with outstanding further submissions or a practical obstacle to departure; ii) simplify the system under which local authorities can provide accommodation and support to destitute families and adult care leavers without immigration status, pending resolution of their status or their departure from the UK; and iii) prevent local authorities paying tuition fees for migrant care leavers who do not meet the Student Support Regulations.

FULL ECONOMIC ASSESSMENT (figures may not sum due to rounding)

Price Base Year 2015	PV Base Year 2015	Time Period Years 10	Net Benefit (Present Value (PV)) (£m)		
			Low: 210	High: 800	Best Estimate: 470
COSTS (£m)		Total Transition (Constant Price)	Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	1.0	1	20	130	
High	1.0		10	50	
Best Estimate	1.0		10	100	
Description and scale of key monetised costs by 'main affected groups' (rounded to nearest £10m, central case only provided) Cost of Home Office support (S95) – 10 (£m, PV) Cost of Assisted Voluntary Returns – 30 ¹⁶ (£m, PV) Cost to DWP of supporting individuals granted Discretionary Leave – 10 (£m, PV) Cost to Local Authorities of supporting Article 8 applicants while their application is decided (including applications 3-7 years post appeal rights exhausted date) or providing discretionary support for failed asylum seeker families or care leavers – 50 (£m, PV)					
Other key non-monetised costs by 'main affected groups' Cash costs to non-residents are not included, according to Migration Advisory Committee guidance on policy assessment. Wider costs (including to third sector organisations) are not included.					
BENEFITS (£m)		Total Transition (Constant Price)	Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	0.0	1	40	340	
High	0.0		100	830	
Best Estimate	0.0		70	570	
Description and scale of key monetised benefits by 'main affected groups' (rounded to nearest £10m) Saving to Home Office from withdrawal of S95/S4(2) support – 510 (£m, PV) Avoided costs to Local Authorities from reduced support to failed asylum seeker care leavers – 60 (£m, PV)					
Other key non-monetised benefits by 'main affected groups' Wider benefits from savings to wider public services, such as health and education, are not included; these are typically estimated to cost around £4,500 per migrant per year. Impacts from preventing Local Authorities paying tuition fees for certain migrant care leavers are not included but are likely to provide a small benefit.					
Key assumptions/sensitivities/risks				Discount rate (%)	3.5
Analysis uses illustrative ranges for assumptions to present a range of possible impacts, which are subject to a degree of uncertainty (e.g. take up of assisted voluntary returns, period of support provided by Local Authorities). Assumptions are set out on P6-9, with further discussion included within sections on P11-13). Ranges for assumptions (including volumes, take-up of/support offered of various elements, period of support, GDP) are used to provide low, central and high illustrative scenarios.					
BUSINESS ASSESSMENT (Option 2)					
Direct impact on business (Equivalent Annual) £m:			In scope of OITO?	Measure qualifies as	
Costs: 0	Benefits: 0	Net: 0	No	NA	

Evidence Base (for summary sheets)

Problem under consideration

The UK is required by international obligations to meet minimum standards for asylum seekers who would otherwise be destitute until they have exhausted their appeal rights. Support is provided under section 95 of the Immigration and Asylum Act 1999. There is no international obligation to support those refused asylum or other categories of migrant without immigration status who could leave the UK. Support is currently provided to some categories of failed asylum seeker. These are:

- Failed asylum seeker families: these are people who have children with them when their asylum claim is finally rejected. Although they are failed asylum seekers, domestic legislation classes them as “asylum seekers” for the purposes of eligibility for section 95 (S95) support. At 31 March 2015, about 10,100 such people¹ (around 2,900 families) were supported under section 95. In 2014-15, such support cost an estimated £45 million.
- Failed asylum seekers unable to leave the UK: these are other people refused asylum (including some who have children after their claim is rejected) who are supported under section 4 (S4) of the 1999 Act because they can show they are destitute and meet other conditions set out in regulations. The regulations broadly cover the typical scenarios where people are unable to leave the UK (e.g. because of some physical impediment to travel such as illness) or where it would be unreasonable to expect them to leave (e.g. because further asylum submissions have been lodged that are still outstanding). At 31 March 2015, about 4,900 people¹ were supported under these arrangements. In 2014-15, such support cost around £28 million.

A public consultation on asylum support conducted from 4 August to 9 September 2015 also highlighted concerns that the framework for restricting access to local authority support by migrants without immigration status provided by Schedule 3 to the Nationality, Immigration and Asylum Act 2002 and associated case-law was complex and burdensome for local authorities to administer and involved complicated assessments and continued litigation to establish what support should be provided in what circumstances. In order to mitigate these impacts, the preferred option, as reflected in the Immigration Bill, has been amended to include the following changes:

- To simplify the way in which local authorities in England assess and provide accommodation and subsistence support for destitute families without immigration status; and to enable local authorities in England to continue to provide under section 17 of the Children Act 1989 for any other needs of a child or their family which must be addressed to safeguard and promote the child’s welfare.
- To prevent adult migrant care leavers in England who have exhausted their appeal rights and have established no lawful basis to remain here from accessing local authority support under the 1989 Act; and to make alternative provision for their accommodation, subsistence and other support before they leave the UK.
- To relieve local authorities in England of the burden created by case-law that means that their leaving care duties under the 1989 Act may encompass payment of student tuition fees – normally at the international rates – for migrant care leavers who do not meet the

¹ This figure includes dependants.

Student Support Regulations. The international rates vary depending on the course and place of study, but most range from £12,000 to £15,000 per year; even one or two cases can therefore place significant pressure on local authority budgets. The Bill prevents local authorities in England from paying the higher education tuition fees of adult migrant care leavers deemed to be overseas students because of their immigration status. If they wish to have help with tuition fees, they will instead have, like other migrants and British citizens, to qualify for a student loan under the Student Support Regulations.

Policy objective

The policy objective is to reform support for failed asylum seekers so that, once they have exhausted their appeal rights and the courts have upheld the refusal of their asylum claim, support will cease where the individual or family in receipt of support cannot show at that point that there is a genuine obstacle outside their control that prevents them leaving the UK. Assistance, for example with travel costs, may be offered to support the departure from the UK of those who can demonstrate that they are willing to leave voluntarily either by making a voluntary departure or by an Assisted Voluntary Return.

In respect of local authority support for migrants without immigration status, the policy objective is to create a simpler mechanism than section 17 of the Children Act 1989 (subject to the restrictions in Schedule 3 to the 2002 Act) for the provision of accommodation and subsistence support for destitute families without immigration status, pending resolution of their status or their departure from the UK. The objective is to enable local authorities to continue to provide support under section 17 to meet any other needs of a child, or their family, in order to safeguard and promote the child's welfare.

In addition, the policy objective is that migrants leaving local authority care as adults, who have established no lawful basis to remain here, will generally no longer be able to access local authority support under the 1989 Act. The objective is to make alternative provision for their accommodation, subsistence and other support before they leave the UK, and thereby to enable local authorities to continue to provide appropriate additional support for vulnerable young adults who need it.

Options

Option 1 – do nothing

Option 1 is to do nothing – support to these groups will continue.

We have considered whether we can use existing powers to cease support for failed asylum seekers more effectively. But these powers, in Schedule 3 to the 2002 Act and briefly used in 2005 in a pilot of 116 cases, place the onus on the Home Office to show the person is not co-operating with arrangements for their departure from the UK and provide a right of appeal against the decision to cease support. This complicated and lengthy process for ceasing support does not reinforce effective immigration controls. Primary legislation is required to change this.

In respect of local authority support for migrants without immigration status, the framework provided by Schedule 3 to the 2002 Act and associated case-law is complex and burdensome for local authorities to administer and involves complicated assessments and continued litigation

to establish what support should be provided in what circumstances. Primary legislation is required to change this.

Option 2 – remove support for failed asylum seekers whose asylum claim is finally rejected on or after 1 July 2016, except those with outstanding further submissions or a practical obstacle to departure

- To withdraw support from all failed asylum seekers who become ‘appeal rights exhausted’ (ARE) from 1 July 2016 (including those with children), with support generally ceasing 91 days from the ARE date for families (note this has changed from 29 days from the ARE date in previous analysis); for those without children support generally ceases 21 days from the ARE date. Support will only be provided beyond this point where it can be shown that: (i) there is a practical obstacle beyond their control preventing their departure from the UK (e.g. they are unfit to travel or have taken all reasonable steps to obtain the required travel document from their embassy but this has not yet been received); or (ii) they have lodged with the Home Office further submissions based on asylum or ECHR Article 3 protection grounds which are outstanding or they have been granted permission for judicial review in relation to their asylum claim. Assistance, for example with travel costs, may be offered to support the departure from the UK of those who have demonstrated that they are willing to leave voluntarily.
- To confirm that local authorities are not obliged to support failed asylum seekers (including those with children) and other migrants with no lawful basis to remain here and who can leave the UK (and thereby avoid the risk of destitution here).
- To simplify the way in which local authorities in England assess and provide accommodation and subsistence support for destitute families without immigration status; and to enable local authorities in England to continue to provide under section 17 of the Children Act 1989 for any other needs of a child or their family which must be addressed to safeguard and promote the child’s welfare.
- To prevent adult migrant care leavers in England who have exhausted their appeal rights and have established no lawful basis to remain here from accessing local authority support under the 1989 Act; and to make alternative provision for their accommodation, subsistence and other support before they leave the UK.
- To prevent local authorities in England paying tuition fees for migrant care leavers who do not meet the Student Support Regulations.

The scope of this option is limited to failed asylum seekers who become ARE from 1 July 2016, and to destitute families and adult migrant care leavers without immigration status applying for local authority support in England from that date. Those failed asylum seekers who became ARE before this date will be dealt with under a modified version of Schedule 3 to the 2002 Act (there will no longer be a right of appeal against a decision to cease support). This Impact Assessment makes no estimate of the impact of this element of the preferred option, which is expected to generate net savings.

The Immigration Bill contains powers for equivalent changes to local authority or equivalent support for migrants without immigration status, under the UK-wide framework contained in Schedule 3 to the 2002 Act, to be made in other parts of the UK by way of regulations subject to the affirmative procedure. We are continuing to discuss this with the Devolved Administrations.

General assumptions and data

The costs in this Impact Assessment (IA) assume that the measures outlined are fully implemented from 1 July 2016. Current unit costs, derived from Management Information (MI) produced by the Home Office, are assumed to increase in line with GDP (as forecast by the Office for Budget Responsibility²).

Structure of the analysis

Analysis for three affected groups is presented separately:

- i) updated analysis of support for failed asylum seekers who are ARE, following the consultation (subsequently referred to as 'group i');
- ii) new analysis of local authority support for adult migrant care leavers without immigration status (subsequently referred to as 'group ii'); and
- iii) new analysis of provision to prevent local authorities paying tuition fees for migrant care leavers who do not meet the Student Support Regulations (subsequently referred to as 'group iii').

The total impacts of these three elements of the preferred option are summarised in Table 3 below (impacts from preventing local authorities paying tuition fees for certain migrant care leavers are not monetised, but as described on P13 are likely to provide a small benefit).

Each option generates a range of impacts around a central scenario. For (i) the range (i.e. 'low', 'central' and 'high') is based on varying assumptions around future volumes of failed asylum seekers and the impact of the policy change. For (ii) the range centres on the provision of alternative support. Whether an assumption is considered to be part of the 'low' or the 'high' scenario depends on its impact on the final Net Present Value (NPV) and so specifically those assumptions that generate high costs will be part of the 'low' scenario (and vice versa). Further reference to this will be made in table footnotes, where relevant.

Behavioural change

The changes to support for failed asylum seekers and other migrants without immigration status proposed under the preferred policy option reduce the incentive for migrants to come to or remain in the UK to make an unfounded claim for asylum or an unfounded application for leave to remain and for asylum seekers, failed asylum seekers and other migrants not to comply with the asylum and immigration processes (including the requirement to leave the UK for those whose claim or application is rejected by the Home Office and the courts). As such, some behavioural change may be expected, including:

- fewer unfounded asylum claims or leave to remain applications in the UK.
- greater compliance by asylum seekers, failed asylum seekers and other migrants with the asylum and immigration processes, including for departure from the UK for those whose claim or application is finally rejected.

² Office for Budget Responsibility *Economic and fiscal outlook charts and tables - November 2015* available at: <http://budgetresponsibility.org.uk/economic-fiscal-outlook-november-2015/Charts and Tables November 2015.xls>

We would expect any such changes to result in further savings to government. However, as the behavioural response to the withdrawal or restriction of support is difficult to evidence, we have not made any estimate of additional savings resulting from the changes. This IA may therefore underestimate the benefits and overestimate the costs of the changes.

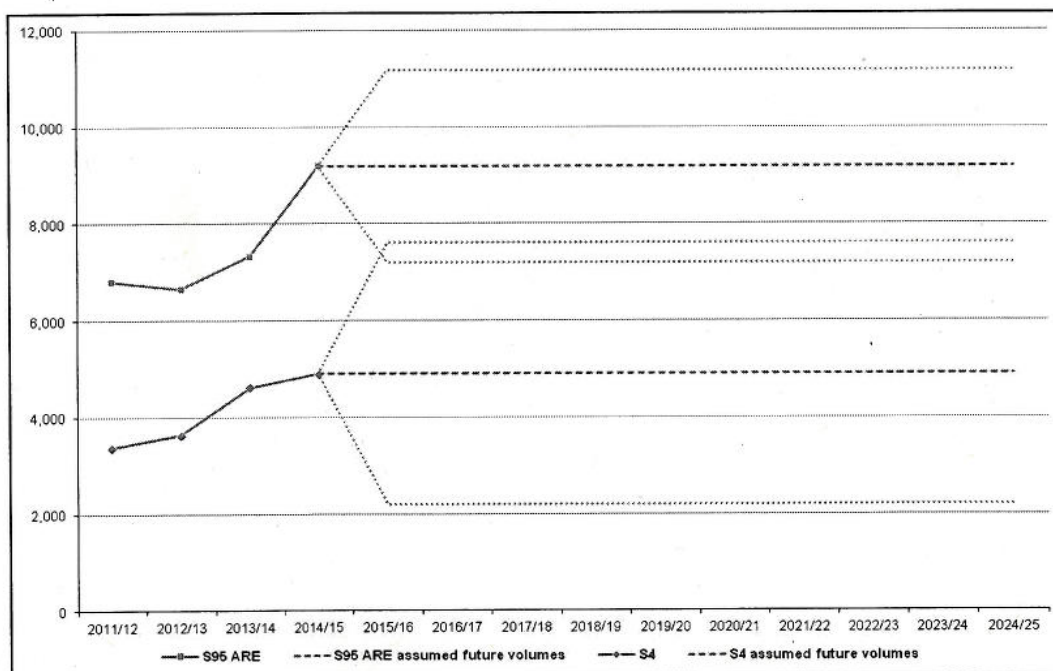
Objective function

In January 2012, the Migration Advisory Committee published a report on the impacts of migration and recommended that migration policy impact assessments should concentrate on the welfare of the resident population. This IA therefore focuses on the welfare of the resident population, defined as those who are already formally settled in the UK. The NPV includes the effects from any change in fiscal, public service, consumer and producer surplus and dynamic effects where practical, appropriate and proportionate, but excludes forgone migrant cash transfers (e.g. remittances) as the benefit of those transfers does not accrue to the resident population. As such it does not include the financial loss to failed asylum seekers resulting from the removal of support.

Volumes

Figure 1 shows the number of failed asylum seekers currently supported under S95 and S4 and the future volumes (including where supported under the new S95A of the 1999 Act inserted by the Immigration Bill) assumed in this IA. Past S4 caseloads have been obtained directly, but S95 (ARE) figures were obtained using historical S95 (total) figures multiplied by the recent ratio of S95 (ARE) claims to S95 (total) claims. Future volumes are assumed to remain constant at the 2014/15 level in the central scenario (since the Home Office does not forecast asylum claims) and in the high/low scenario are assumed to remain at the 95% confidence limits of the central value (standard deviation taken from 2010/11-2014/15 observations).

Figure 1: Caseloads of S95 ARE and S4 claimants



Source: Home Office Management Information
 S95 ARE figures are obtained by applying current proportion of S95 claimants who are ARE to historical S95

volumes.

Assumed future volumes (for S95A support) are obtained from the 2015/16 volume in the central scenario, with high/low volumes given by 95% confidence limits.

Volumes of individuals flowing onto S4 and S95 (or S95A) support have been drawn from Home Office management information and kept constant throughout the appraisal period. The IA therefore assumes that there will be 3,600-11,200 new claims to S95 (ARE) support each year and 600-5,600 new claims to S4 (annual averages) (or to S95A support). These estimates relate to group i.

Local authorities currently provide support for an estimated caseload of around 750 ARE failed asylum seeker care leavers based on internal analysis of identified sources³, at a rate of £150 per week per person⁴. For the purposes of this IA, it is assumed that the caseload will remain constant over the appraisal period but it is noted that uncertainty in future caseload exists. This estimate relates to group ii.

The affected population for group iii. is assumed to be small, with Local Authority returns suggesting in June 2015 fewer than 150 migrant care leavers who may be eligible to receive local authority support for tuition fees. Department for Education data⁵ suggest an average of 7% of care leavers enter higher education, and if migrant care leavers reflect this average, only a small number may be in receipt of support at any one time.

Option 1 – do nothing

Under this option no changes are made to existing arrangements for support of failed asylum seekers or other migrants without immigration status. Analysis in this IA assumes that:

- 7,200-11,200 ARE individuals will continue to receive support under S95, at a cost of £40m-£70m per year or £343m-£600m (PV) over the 10-year appraisal period.
- 2,200-7,600 individuals will continue to receive support under S4(2), at a cost of £12m-£48m per year or £105m-£408m (PV) over the 10-year appraisal period.
- 750 failed asylum seeker care leavers will continue to receive local authority support at an average cost of £6-7m per year⁶ or £52-59m (PV).
- A small number of migrant care leavers will continue to receive tuition fee support from local authorities, with UCAS⁷ data suggesting tuition fees for international students range around £12,000-£15,000.

Option 2 – withdrawal of support

Under this option:

i) ARE failed asylum seekers

³ Internal analysis based on data from 'Social Services Support to People with no Recourse to Public Funds: A national Picture (NRPF, March 2011), and FOI evidence available at <https://www.ein.org.uk/blog/revealed-asylum-seeker-children-face-welfare-lottery-arrival-britain>.

⁴ Home Office (2015), 'Funding to Local Authorities Financial Year 2015/16: Home Office Funding Leaving Care (post 18 years of age)'. Support is assumed to last for 12 months. Note that an alternative source - NAO 'Care Leavers Transition to Childhood' (2015) - suggested weekly support costs per person per week could be closer to £120 (note price base unknown).

⁵ <https://www.gov.uk/government/statistics/children-looked-after-in-england-including-adoption--2>

⁶ Please see footnote 4.

⁷ <https://www.ucas.com/>

- Support for ARE failed asylum seekers with children would generally be withdrawn after a 90-day grace period from their ARE date.
- Support for ARE failed asylum seekers without children would generally be withdrawn after a 21-day grace period from their ARE date.
- Support would continue for:
 - Those with outstanding further submissions lodged with the Home Office⁸ for the duration of their further submissions (expected to be up to 2 weeks) and further appeals⁹ (expected to be up to 3 months).
 - Those with a practical obstacle to their departure (including those who are certified as unfit to travel and/or those who can demonstrate that they are unable to obtain the necessary travel document from their embassy). Up to 10% of cases are assumed to remain supported for up to 12 months as a result of a practical obstacle.
- Of those with further submissions, a proportion (assumed to be 15%) will be granted Discretionary Leave, giving recourse to public funds and thereby receiving the average per person claim for Income Support and Housing Benefit.¹⁰ While it is highly likely that these individuals would have been granted Discretionary Leave in the absence of the changes, it has been assumed that this will happen earlier¹¹ under this proposal.
- Local authorities are not required to support migrants without immigration status who could and should leave the UK, but local authorities may decide that they need to provide support for some of the remaining FAS families for whom Home Office support ceases (assumed as 0% in high scenario, 12.5% in central, 25% in low). Where provided, support is assumed to last for 3, 6, or 12 months, with this variation in support length considered within the 12.5% and 25% scenarios.

ii) ARE failed asylum seeker care leavers¹²

- The simplification of support arrangements could see:
 - Home Office support for those facing a practical obstacle to departure (up to 10% are assumed to remain supported by the Home Office for up to 12 months for this reason).
 - Some taking up assisted voluntary return (up to 20% are assumed to do so).
 - DWP support for those making a successful leave to remain application (around 40% are assumed to make a further application, of whom around 25% are assumed to be successful).
 - Some (30%, or 75% of the 40% making a leave to remain application) becoming unsupported if unsuccessful with a leave to remain application.
- The remaining population (40-50%) of failed asylum seeker care leavers are assumed to remain on local authority for 3 (High scenario), 6 (central), or 12 months (low) at the existing assumed level of support.

⁸ Around 50% of the stock of ARE individuals currently supported under S4 have further submissions outstanding; the same proportion of the stock of ARE individuals supported under S95 is assumed to lodge further submissions. Because of restrictions on the scope to make them, further submissions from the on-flow of supported cases (for both S95 and S4 or S95A) is expected to be far lower, at under 10%.

⁹ 5% of those further submissions are expected to lead to a refusal generating a right of appeal.

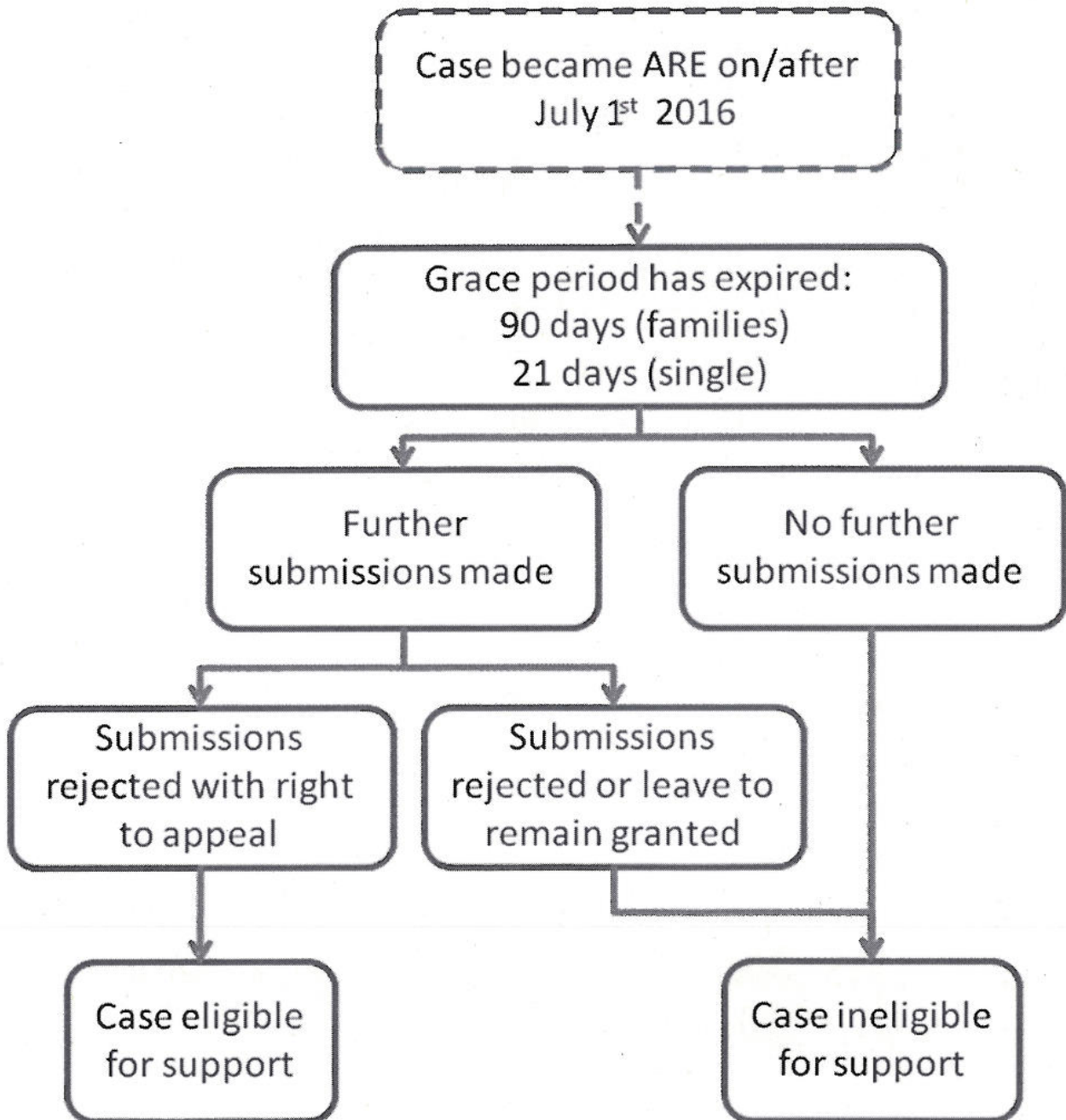
¹⁰ £8,800 per claimant, calculated from DWP Benefit expenditure and caseload tables 2015, available at: <https://www.gov.uk/government/statistics/benefit-expenditure-and-caseload-tables-2015>

¹¹ Note the 'do nothing' counterfactual does not assume these individuals will be granted Discretionary Leave within the 10-year appraisal period considered. Were Discretionary Leave granted within this period without the proposed changes, DWP costs could be overestimated in this analysis.

¹² Given the small number of cases, variation in caseload is not used in high, central and low estimates.

Discussion of group iii. is not monetised and is included in sections on wider costs and benefits below.

Figure 2: Option 2 flow chart of support withdrawal for FAS (where no practical obstacles to departure)



Direct costs

Set-up costs

No direct estimate is available of the costs of updating Home Office IT and training Home Office staff to reflect the legislative changes under the preferred policy option, but these are assumed to be well below £1m and to fall only in the first year of the policy.

Ongoing costs

Local authorities

The Immigration Bill provides local authorities in England with new powers under Schedule 3 to the 2002 Act, rather than as now under section 17 of the 1989 Act, to provide accommodation and subsistence support to destitute families and adult migrant care leavers without immigration status. It is likely to be similar in nature to the support provided by the Home Office under S95/S4 (or the new S95A). This responsibility is likely to be engaged for example in cases where a family has an outstanding application to the Home Office for leave to remain on ECHR Article 8 grounds (right to respect for private and family life). Where individuals are granted limited leave to remain on Article 8 grounds, they will be allowed recourse to public funds where they are destitute; there are significant concerns relating to the welfare of a child of a parent with a low income; or there are exceptional circumstances. This affects both groups i. and ii.

The final package of support changes contained in the Immigration Bill will be subject to a new burdens assessment in the usual way. However, for illustrative purposes following the consultation, changes to analysis of group i. have been made in light of concerns about potential burden shifting from the Home Office to local authorities. Local authorities are not required to support migrants without immigration status who could and should leave the UK, but local authorities may decide that they need to provide support for some of the remaining FAS families for whom Home Office support ceases (assumed at 0% in high scenario, 12.5% in central, 25% in low) and, where provided, support is assumed to last for 3, 6, or 12 months, with this variation in support length considered within the 12.5% and 25% scenarios. This support has been assumed to cost 25% less to 25% more than the S95/S4 support costs. The local authority support received is assumed to be made available as soon as Home Office support is terminated. As a result of these changes in assumptions, volumes of migrants receiving local authority support have increased and local authority costs are greater than previously estimated.¹³

Analysis for group i. continues to assume that 10%-20% of individuals losing Home Office support will, 3-7 years later,¹⁴ make a successful claim for local authority support pending the outcome of a leave to remain application to the Home Office. Local authority support is assumed to cost 25% less to 25% more than the S95/S4 support costs and to last 3 months while the leave to remain application is decided.

Table 1 sets out the range of costs for group i.

Group ii. also sees some costs for local authorities remain. Similarly to group i., a proportion (40%) of those care leavers affected within group ii. are assumed to make a successful claim for local authority support pending the outcome of a leave to remain application to the Home Office, with support assumed to last 3 months while the leave to remain application is decided and at levels as set out above. Within group ii., those not:

- Making a leave to remain application;
- Facing a genuine obstacle to departure; or

¹³ To note that estimates of local authority costs have also been revised to ensure that they correctly reflect the assumed period of three months for local authority support whilst a leave to remain application is being decided. The consultation IA over-calculated the impact of this assumption.

¹⁴ Depending on how long the family was in the UK before entering the asylum process.

- Taking up assisted voluntary return,

are assumed to continue at the existing assumed level of local authority support for 3 months (high scenario), 6 months (central), or 12 months (low). Table 2 includes the range of costs for this group.

Table 3 sets out the overall range of impacts for local authorities from the preferred policy option.

Department for Work and Pensions

15% (group i.) or 15% (group ii.) of those making further submissions to the Home Office on asylum or ECHR Article 3 protection grounds are assumed to have their case resolved through the grant of Discretionary Leave with recourse to public funds. This is assumed to lead to average rates of claim for Income Support and Housing Benefit (£8,800 per person, per year). While this will be the case with or without the proposed changes to support, we assume that the changes will bring forward the date for this access for some individuals.¹⁵ The range of costs for group i. is included in Table 1 and for group ii. in Table 2 and for the preferred policy option as a whole in Table 3.

Voluntary Returns

Of individuals losing Home Office support in group i. and affected individuals in group ii., 0%-20% are assumed to leave the UK voluntarily, but with support and assistance. Those who have the means to leave the UK independently, i.e. those who can purchase their own ticket, should contact the Voluntary Returns Service for advice in obtaining their travel document. Those who require additional support can apply for Assisted Voluntary Return (AVR). AVR currently costs around £2,000 per person¹⁶ for support where a child is part of the group,¹⁷ plus around £600 per person for flights.¹⁸ Based on this, the average cost of support provisions for voluntary returns over the appraisal period is assumed to be £2,700-£3,100 per person¹⁹. Under all considered elements of the preferred policy option, there are up to 1,300 AVRs per year on average. The range of estimated costs is given in Table 1 for group i., given in Table 2 for group ii. and combined in Table 3.

Home Office Support for ARE failed asylum seeker care leavers

Around 0% (low scenario) or 10% (central/high scenarios) in group ii. of the affected ARE failed asylum seeker care leavers are assumed to face a practical obstacle to departure and be transferred to S95A support from the Home Office for 12 months. The low scenario includes an assumption that 0% of the affected group will face a practical obstacle to departure on the basis of the age profile of care leavers suggests health issues creating such an obstacle may not be prevalent in this group and takes into account the time care leavers may have spent in the UK providing sufficient time to ensure travel documentation is in place. Table 2 includes the range of costs for this group and they are also included in Table 3.

¹⁵ Please refer to footnote 11.

¹⁶ From January 2016, the Home Office is delivering the AVR service in-house. It is expected that operational costs will be reduced. These costs are likely to be eligible for 75% EU Funding. This IA makes no adjustment to reflect this.

¹⁷ The cost is £500 less per person for singles.

¹⁸ These costs will vary significantly according to individuals' needs and circumstances.

¹⁹ Administrative costs are not included in these estimates.

Wider costs

As stated above (and applying to all groups):

- Cash costs to non-residents are not included, in accordance with Migration Advisory Committee guidance on policy assessment.
- Wider costs (including to third sector organisations) are not included.

In addition for group iii., it is assumed that universities find replacement international students to take the place of migrant care leavers who may not apply to university²⁰ until they qualify for a student loan under the Student Support Regulations, so wider costs on the higher education/business sector are assumed to be negligible.

Benefits

Reduction in Home Office expenditure under section 95 and section 4

Table 1 gives the net reduction²¹ of persons (from group i.) from whom S95 or S4 support is withdrawn and the net saving implications of this. The average annual cost of support under S95 or S4 (or S95A) is £5,300-£7,500 per person over the appraisal period.

Avoided costs for local authorities from group ii. ARE failed asylum seeker care leavers

There will be avoided costs for local authorities as result of flows to central government support or becoming unsupported following an unsuccessful further leave to remain application; and in central/high scenarios from a reduced period of support for the group remaining on local authority support relative to the counterfactual. These benefits are included in impacts presented in Tables 2 and 3.

Wider Benefits

As stated above, wider benefits from savings to public services (such as health and education) resulting from the departure of migrants from the UK are not included in this IA. These services are typically estimated to cost around £4,500 per migrant per year. Please see the 'behavioural impacts' section above for further discussion.

Also as noted above, the affected population for group iii. is assumed to be small, with local authority returns suggesting that in June 2015 there were fewer than 150 migrant care leavers who may be eligible to receive local authority support for tuition fees. Department for Education data²² suggest an average of 7% of care leavers enter higher education and if migrant care leavers reflect this average, only a small number may be in receipt of support at any one time. Given UCAS data suggest tuition fees for international students range from around £12,000-£15,000, and assuming students supported undertake a 3-year course, the impact from

²⁰ Given OECD *Education at a Glance* suggests the UK is the second most popular destination country (behind the USA) for global tertiary level international students.

²¹ Net of individuals for whom S95 or S95A support is given, following the withdrawal of S4 support.

²² <https://www.gov.uk/government/statistics/children-looked-after-in-england-including-adoption--2>

removing support to this group is likely to be substantially below an annual equivalent impact of £5m.²³

Risks and Uncertainty

The analysis presented should be read as presenting illustrative scenarios of possible impacts and subject to a degree of uncertainty as a result of the illustrative range of assumptions used in the absence of hard data to inform assumptions in some areas. In addition, where observed data have been used, there can be uncertainty in future behaviour/outcomes reflecting current trends.

As such, ranges are used for a variety of assumptions – including volumes (for group i.), take-up of/support offered of various elements, period of support, GDP – across low, central and high scenarios (and period of support is also varied within scenarios for group i.).

The use of assumption ranges is thought to help mitigate risk from uncertainty in assumptions by presenting a range of illustrative scenarios.

Summary of costs and benefits

Table 1 – Summary of impacts (updated analysis of ARE failed asylum seekers following the consultation)

		Preferred Option (relative to do nothing)	
10-year average volume	Net reduction in HO support	9,200	(5,600 - 12,900)
	Assisted Voluntary Returns	1,000	(1,200 - 0)
	Increase in DWP support	100	(0 - 100)
	Increase in LA support	1,500	(1,600 - 200)
	<i>Net reduction in support</i>	<i>7,600</i>	<i>(4,000 - 12,500)</i>
10-year PV: £m 3 months LA support	Net HO saving	470	(250 - 750)
	DWP cost	10	(0 - 10)
	LA cost	20	(20 - 0)
	<i>Net saving</i>	<i>450</i>	<i>(230 - 750)</i>
10-year PV: £m 6 months LA support	Net HO saving	470	(250 - 750)
	DWP cost	10	(0 - 10)
	LA cost	30	(40 - 0)
	<i>Net saving</i>	<i>440</i>	<i>(210 - 750)</i>
10-year PV: £m 12 months LA support	Net HO saving	470	(250 - 750)
	DWP cost	10	(0 - 10)
	LA cost	50	(60 - 0)
	<i>Net saving</i>	<i>420</i>	<i>(190 - 750)</i>

²³ As below the £5m threshold set out in https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/450239/Guide_to_Making_Legislation.pdf; the proportional level of analysis is presented as identifying impacts are below that threshold.

Source: Home Office analysis

Volumes are given as annual averages over the 10-year appraisal period; costs/savings are given as 10-year PVs
 Rounding: Nearest 100 (volumes); nearest £10 million (savings/costs); numbers may not sum due to rounding.

Note: As with the consultation IA, ranges refer first to the figure from the 'low' scenario (which is not always the lower figure) and then to the figure from the 'high' scenario.

Table 2 below sets out the impacts considered for group ii. Note that whilst the table illustrates the net impact in volumes supported, in central and high scenarios those volumes remaining on local authority support also offer a benefit from an assumed shorter period of support relative to the do nothing counterfactual.

Table 2 – Summary of impacts (ARE failed asylum seeker care leavers)

10-year average volume	Increase in HO support (\$95)	70	(0 - 70)
	Assisted Voluntary Returns	70	(130 - 0)
	Increase in DWP support	40	(40 - 40)
	Population remaining on LA support	360	(360 - 420)
	Net reduction in support	220	(220 - 220)
10-year PV: £m	HO cost	3	(2 - 2)
	DWP cost	3	(3 - 3)
	Net LA saving	34	(23 - 40)
	Net saving	28	(17 - 35)

Source: Home Office analysis

Volumes are given as annual averages over the 10-year appraisal period; costs/savings are given as 10-year PVs
 Rounding: Nearest 10 (volumes); nearest £1 million (savings/costs); numbers may not sum due to rounding.

Note: As with the consultation IA, ranges refer first to the figure from the 'low' scenario (which is not always the lower figure) and then to the figure from the 'high' scenario.

Summary and Recommendation

Table 3 below provides an overview of the combined impact from groups i. and ii. considered in this IA. Impacts from group iii. are not included but would be expected to have a small positive impact on Net Present Value estimates. Whilst Table 1 presented variations of the period of local authority support within low, central and high scenarios, for consistency with how analysis has been considered for Table 2, Table 3 below presents low scenarios assuming a period of 12 months, central scenarios assuming a period of 6 months and high scenarios assuming a period of 3 months for analysis of both groups i. and ii.

Table 3 – Summary of impacts (combined for group i. updated analysis of ARE failed asylum seekers and group ii. ARE failed asylum seeker care leavers)

10-year average volume	Net reduction in HO Support (S4/S95)	9,100	(5,600 - 12,800)
	Increase in Assisted Voluntary Returns	1,100	(1,400 - 0)
	Increase in DWP support	100	(100 - 200)
	Net increase in Local Authority Support	1,100	(1,200 - -100)
	Net reduction in support	5,600	(2,000 - 12,200)
10-year PV: £m	Net HO impact	470	(250 - 770)
	Net DWP impact	-10	(-10 - -10)
	Net LA impact	0	(-40 - 40)
	Net saving	470	(210 - 800)

Source: Home Office analysis

Volumes are given as annual averages over the 10-year appraisal period; costs/savings are given as 10-year PVs
Rounding: Nearest 10 (volumes); nearest £10 million (savings/costs); numbers may not sum due to rounding.

Note: As with the consultation IA, ranges refer first to the figure from the 'low' scenario (which is not always the lower figure) and then to the figure from the 'high' scenario.

Where net impacts are positive this indicates a saving; where net impacts are negative this indicates a cost.

The recommendation is to proceed with the preferred policy option.

Business Impacts

There are no direct business impacts arising from any of the proposals in this IA. OITO impacts would be £0.

Enforcement

No additional enforcement activities or costs are assumed as a result of the preferred policy option. It is possible that the voluntary departure or AVR of some failed asylum seekers will necessitate less enforcement activity. No estimate has been made of this behavioural response or the associated savings.

Implementation

The proposed policy changes are assumed to be implemented from 1 July 2016, subject to the passage of the Immigration Bill. The final implementation date may be different.

Monitoring and Evaluation

The impacts of this policy will be evaluated three years after implementation (assumed to be July 2019).

The policy will be reviewed following evaluation.