

The estimated annual cost of £1.4 billion was the result of cross Government consultation on the potential financial cost to the UK of allowing all former Ghurkhas to settle here. This figure assumes that all those who retired between 1948 and 1997 would choose to settle if they were able to do so.

The summary of financial implications is set out in below. It sets out the estimated cost for 3 scenarios:

- all 36,000 main applicants would choose to settle in the UK
- 24,000 main applicants would choose to settle in the UK
- 12,000 main applicants would choose to settle in the UK.

	36,000 main applicants	24,000 main applicants	12,000 main applicants
Total state benefits and working age benefits excluding MOD	£980-1200 million	£528 – 800 million	£264 – 400 million
Housing and homelessness benefits	£72 million	£54 million	£24 million
Tax credits and child benefits	£40 – 45 million	£30 million	£15 million
Health costs	£286 million	£190 million	£95 million
Education costs	£80.3 million	£54 million	£27 million

To arrive at these figures we had to make a number of assumptions:

The number of applicants and dependants

- The estimated numbers of working age main applicants takes no account of any barriers presented by language or any disability.
- The number of dependants was calculated including spouse, children under 18, unmarried dependant children 18-30, elderly parents living with the main applicant – and assuming half of children 18-30 are married.

Total State Pension Benefits and Working Age benefits

- Temporary accommodation costs estimated at £10,400 per year.
- All children under 18 eligible for Child Tax Credit (CTC) and child benefit.
- A 'steady state' level - i.e. as new retired Ghurkhas settle in the UK they will essentially 'replace' those whose children cease to be eligible for CTC/child benefit.
- 100% take up of tax credits and child benefit.
- All settling families are on CTC maximum award. None of the dependants work and there is no Working Tax Credit (WTC) cost.
- Assumed 8759 households with children under 18.

NHS Healthcare

- Estimated healthcare cost was based on average spend per head of the UK.
- The estimated cost does not include the cost of social care.

Education

- Based on CSR commitment to fund pupils an average of £6600 each in 2010/11 (best estimate).
- Assumption that there will be 12, 161 children under the age of 18.

The calculations do not take account of any tax or national insurance contributions that former Ghurkhas may have made in the past or that they may make in the future.