

|   |   |  |                                    |
|---|---|--|------------------------------------|
| <b>Title: Reforming support for failed asylum seekers and other illegal migrants</b><br><br><b>IA No: HO0195</b><br><br><b>Lead department or agency: Home Office</b><br><br>Other departments or agencies: Department for Communities and Local Government, Department for Education, Devolved Administrations | <b>Impact Assessment (IA)</b>               |  |                                    |
|   | <b>Date:</b> 01/07/2015                     |  |                                    |
|   | <b>Stage:</b> Consultation                  |  |                                    |
|   | <b>Source of intervention:</b> Domestic     |  |                                    |
|   | <b>Type of measure:</b> Primary legislation |  |                                    |
| <b>Contact for enquiries:</b> Simon Bentley   |   |  |                                    |
| <b>Summary: Intervention and Options</b>  |   |  | <b>RPC Opinion:</b> Not Applicable |

| 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 |
| £479.0m                                   | £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 illegal migrants who can leave the UK and should do so. Subject to consultation, we propose to legislate to curtail the scope for such support, consistently with our international and human rights obligations, and to 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 unlawful migrants have no financial incentive to remain in the UK and avoid return to their own countries; (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.
- 3 Remove support for all failed asylum seekers, with the exceptions under Option 2.

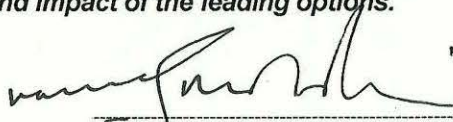
It is not possible to achieve the policy objectives without primary legislation. Option 2 is the preferred option.

**Will the policy be reviewed? It will be reviewed. If applicable, set review date:** July 2019

|  |              |             |              |               |              |
|--|--------------|-------------|--------------|---------------|--------------|
| 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<br>N/A | < 20<br>N/A | Small<br>N/A | Medium<br>N/A | Large<br>N/A |
| What is the CO <sub>2</sub> equivalent change in greenhouse gas emissions? (Million tonnes CO <sub>2</sub> 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: 3/8/15

# Summary: Analysis & Evidence

# Policy Option 2

**Description:** 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 barrier to return.

## FULL ECONOMIC ASSESSMENT

| Price Base<br>Year 2015  | PV Base<br>Year 2015                         | Time Period<br>Years 10 | Net Benefit (Present Value (PV)) (£m) |   |  |     |
|--|--|-------------------------|---------------------------------------|---|--|-----|
|  |  |                         | Low: 233.6                            | High: 772.2   | Best Estimate: 479.0                     |     |
| <b>COSTS (£m)</b>  | <b>Total Transition<br/>(Constant Price)</b> |                         | <b>Years</b>                          | <b>Average Annual<br/>(excl. Transition) (Constant Price)</b> | <b>Total Cost<br/>(Present Value)</b>    |     |
| Low  | 1.0  |                         | 1                                     | 19.1  | <b>68.7</b>                              |     |
| High   | 1.0  |                         |                                       | 4.2   | <b>33.3</b>                              |     |
| Best Estimate  | 1.0  |                         |                                       | 15.4  | <b>62.8</b>                              |     |
| <b>Description and scale of key monetised costs by 'main affected groups'</b><br>Cost of extending S95 support to those formerly supported under S4 during grace period + extensions – 12.3 (£m, PV). Cost of Assisted Voluntary Returns – 13.2 <sup>8</sup> (£m, PV)<br>Cost to DWP of supporting individuals granted Discretionary Leave – 5.3 (£m, PV)<br>Cost to Local Authorities of supporting applicants while a leave to remain application is decided – 31.9 (£m, PV) |  |                         |                                       |   |  |     |
| <b>Other key non-monetised costs by 'main affected groups'</b><br>Cash costs to non residents are not included, according to MAC guidance on policy assessment. Wider costs (including to 3 <sup>rd</sup> sector organisations) are not included.  |  |                         |                                       |   |  |     |
| <b>BENEFITS (£m)</b>   | <b>Total Transition<br/>(Constant Price)</b> |                         | <b>Years</b>                          | <b>Average Annual<br/>(excl. Transition) (Constant Price)</b> | <b>Total Benefit<br/>(Present Value)</b> |     |
| Low  | 0.0  |                         | 1                                     | 37.2  | <b>306.8</b>                             |     |
| High   | 0.0  |                         |                                       | 97.4  | <b>806.4</b>                             |     |
| Best Estimate  | 0.0  |                         |                                       | 65.6  | <b>542.8</b>                             |     |
| <b>Description and scale of key monetised benefits by 'main affected groups'</b><br>Saving to Home Office from withdrawal of S95 support – 350.4 (£m, PV)<br>Saving to Home Office from withdrawal of S4(2) support – 192.4 (£m, PV)   |  |                         |                                       |   |  |     |
| <b>Other key non-monetised benefits by 'main affected groups'</b><br>Wider benefits from savings to wider public services, such as health and education services are not included; these are typically estimated to cost around £4,500 per migrant per year.   |  |                         |                                       |   |  |     |
| Key assumptions/sensitivities/risks  |  |                         |                                       |   | Discount rate (%)                        | 3.5 |
| Local Authorities support 10%-20% of failed asylum seekers who have lost Home Office support, 3-7 years after Home Office support is withdrawn, at 25% lower – 25% higher cost than the Home Office.<br>0%-10% of failed asylum seekers losing Home Office support will receive government assistance voluntarily to return home.  |  |                         |                                       |   |  |     |

## BUSINESS ASSESSMENT (Option 2)

|  |             |        |                          |                             |
|--|-------------|--------|--------------------------|-----------------------------|
| <b>Direct impact on business (Equivalent Annual) £m:</b> |             |        | <b>In scope of OITO?</b> | <b>Measure qualifies as</b> |
| Costs: 0   | Benefits: 0 | Net: 0 | No                       | NA                          |

# Summary: Analysis & Evidence

# Policy Option 3

**Description:** Remove support for all failed asylum seekers, with the exceptions under Option 2.

## FULL ECONOMIC ASSESSMENT

| Price Base<br>Year 2015   | PV Base<br>Year 2015 | Time Period<br>Years 10              | Net Benefit (Present Value (PV)) (£m) |   |                                  |     |
|---|----------------------|--------------------------------------|---------------------------------------|---|----------------------------------|-----|
|   |                      |                                      | Low: 265.5                            | High: 805.8   | Best Estimate: 511.6             |     |
| COSTS (£m)  |                      | Total Transition<br>(Constant Price) | Years                                 | Average Annual<br>(excl. Transition) (Constant Price) | Total Cost<br>(Present Value)    |     |
| Low   |                      | 1.0                                  | 1                                     | 11.5  | 94.5                             |     |
| High  |                      | 1.0                                  |                                       | 6.0   | 49.9                             |     |
| Best Estimate   |                      | 1.0                                  |                                       | 10.0  | 81.5                             |     |
| <b>Description and scale of key monetised costs by 'main affected groups'</b><br>Cost of extending S95 support to those formerly supported under S4 during grace period + extensions – 12.3 (£m, PV). Cost of Assisted Voluntary Returns – 14.5 <sup>8</sup> (£m, PV)<br>Cost to DWP of supporting individuals granted Discretionary Leave – 18.2 (£m, PV)<br>Cost to Local Authorities of supporting applicants while a leave to remain application is decided – 36.4 (£m, PV) |                      |                                      |                                       |   |                                  |     |
| <b>Other key non-monetised costs by 'main affected groups'</b><br>Cash costs to non residents are not included, according to MAC guidance on policy assessment. Wider costs (including to 3 <sup>rd</sup> sector organisations) are not included.   |                      |                                      |                                       |   |                                  |     |
| BENEFITS (£m)   |                      | Total Transition<br>(Constant Price) | Years                                 | Average Annual<br>(excl. Transition) (Constant Price) | Total Benefit<br>(Present Value) |     |
| Low   |                      | 0.0                                  | 1                                     | 43.0  | 361.0                            |     |
| High  |                      | 0.0                                  |                                       | 102.6   | 856.6                            |     |
| Best Estimate   |                      | 0.0                                  |                                       | 70.9  | 594.0                            |     |
| <b>Description and scale of key monetised benefits by 'main affected groups'</b><br>Saving to Home Office from withdrawal of S95 support – 378.1 (£m, PV)<br>Saving to Home Office from withdrawal of S4(2) support – 215.9 (£m, PV)  |                      |                                      |                                       |   |                                  |     |
| <b>Other key non-monetised benefits by 'main affected groups'</b><br>Wider benefits from savings to wider public services, such as health and education services are not included; these are typically estimated to cost around £4,500 per migrant per year.  |                      |                                      |                                       |   |                                  |     |
| Key assumptions/sensitivities/risks   |                      |                                      |                                       |   | Discount rate (%)                | 3.5 |
| Local Authorities support 10%-20% of failed asylum seekers who have lost Home Office support, 3-7 years after Home Office support is withdrawn, at 25% lower – 25% higher cost than the Home Office.<br>0%-10% of failed asylum seekers losing Home Office support will receive government assistance voluntarily to return home.   |                      |                                      |                                       |   |                                  |     |

## BUSINESS ASSESSMENT (Option 3)

| 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 classes of illegal migrant. Support is nonetheless provided to some categories of failed asylum seeker because of the way domestic legislation is framed. 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 people<sup>1</sup> (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 people<sup>1</sup> were supported under these arrangements. In 2014-15, such support cost around £28 million.

### Policy objective

As a general principle, failed asylum seekers are no more deserving of welfare support than any other illegal migrants. The policy objective is therefore to reform provision for supporting 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 barrier 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.

### 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 Nationality, Immigration and Asylum Act 2002 and briefly used in 2005 in a pilot of 116 cases, place the onus on the Home

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<sup>1</sup> This figure includes dependants.

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 stopping support sends entirely the wrong message. We need support arrangements which reinforce our immigration controls rather than providing incentives to circumvent them. Primary legislation is required to achieve 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 barrier to removal**

Option 2 is:

- 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 21 days or 28 days (where there are children) from the ARE date. Support will only be provided beyond this point where it can be shown: (i) there is a practical obstacle beyond their control preventing their departure from the UK (e.g. they are genuinely unfit to travel or have taken all reasonable steps to obtain the required travel documentation from their embassy but this is not forthcoming); or (ii) they have lodged with the Home Office further submissions based on asylum or ECHR Article 3 protection grounds which are outstanding. 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) who can leave the UK (and thereby avoid being destitute).

The scope of this option is limited to failed asylum seekers who become ARE from 1 July 2016. Those 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 Option 2, which is expected to generate net savings.

**Option 3 – remove support for all failed asylum seekers, with the exceptions under Option 2, including those already in receipt of support by 1 July 2016**

Option 3 is the same as Option 2, but including the stock of existing ARE failed asylum seekers in receipt of support, in addition to those becoming ARE from 1 July 2016.

Appraisal

**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 Responsibility<sup>2</sup>).

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

## **Structure of the analysis**

Each option generates a range of impacts (i.e. 'low', 'central' and 'high') based on varying assumptions around future volumes of failed asylum seekers and the reach of the policy change. 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, somewhat counter intuitively, be part of the 'low' scenario (and vice versa). Further reference to this will be made in table footnotes, where relevant.

## **Behavioural change**

The restrictions of support to failed asylum seekers proposed under Options 2 and 3 reduce the incentive for migrants to come to or remain in the UK to make an unfounded claim for asylum and for current asylum seekers and failed asylum seekers not to comply with the asylum process (including the requirement to leave the UK for those whose claim is rejected by the Home Office and the courts). As such, it is reasonable to expect behaviours to change as a result of the proposed changes, including:

- fewer unfounded asylum applications in the UK.
- greater compliance by asylum seekers and failed asylum seekers with the asylum process, including for departure from the UK for those whose claim is finally rejected.

We would expect each of these changes to result in further savings to the government. However, as the financial value of support available is small in comparison to the benefits of living and working in the UK, and as the behavioural response to the withdrawal or restriction of support is difficult to evidence, even after changes have been introduced, we have not made any estimate of additional savings resulting from any behavioural response to the measures proposed. This IA is therefore likely to underestimate benefits and overestimate costs of the measures proposed.

## **Objective function**

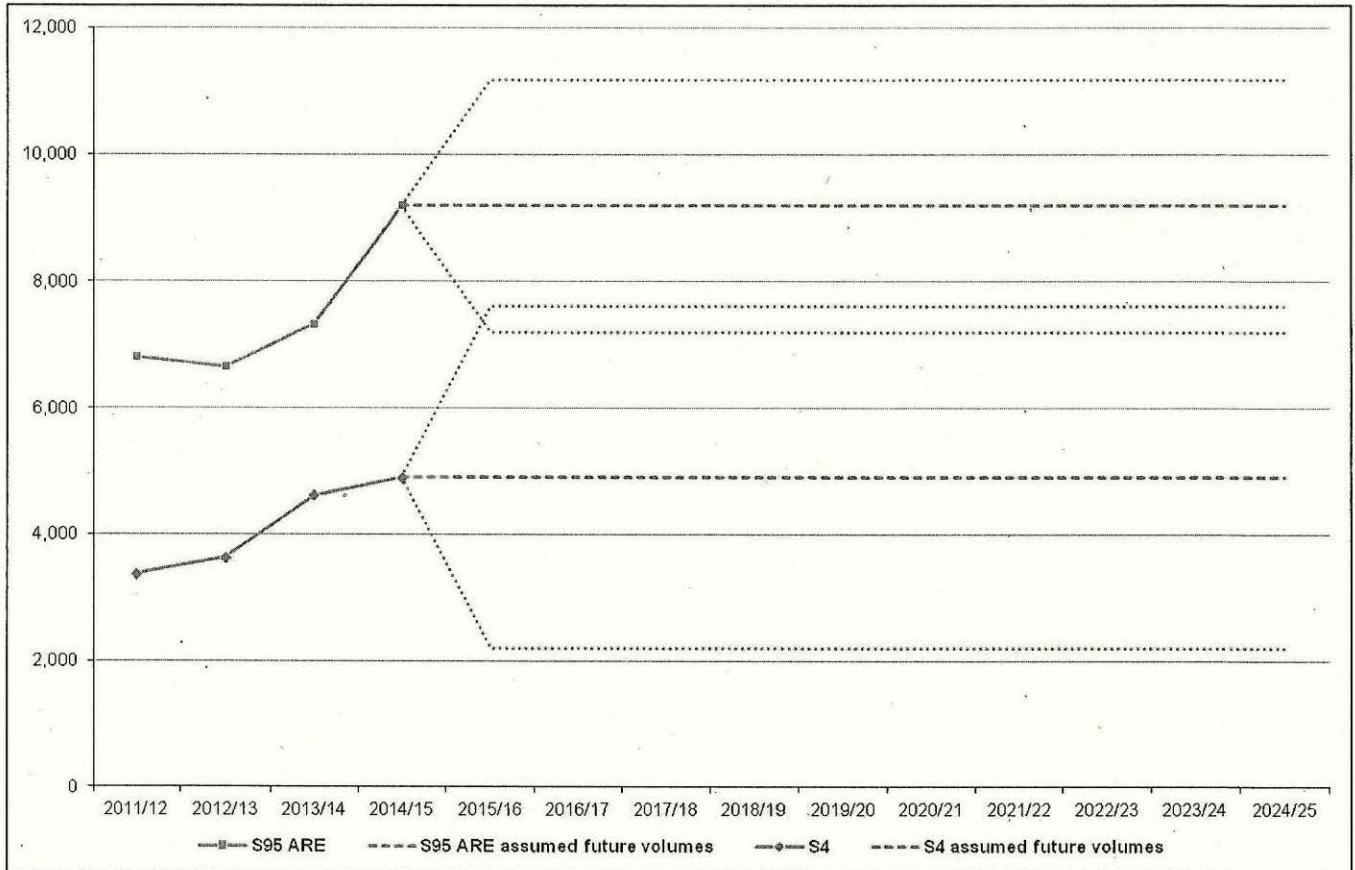
In January 2012, the Migration Advisory Committee published a report on the impacts of migration and recommended that migration policy impact assessments should concentrate on the welfare of the resident population. This Impact Assessment therefore focuses on the welfare of the resident population, defined 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 as the benefit of those transfers does not accrue to the resident population. As such it does not include the 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 assumed in this Impact Assessment. 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 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 support have been drawn from Home Office management information and kept constant throughout the appraisal period. This 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).

**Option 1 – do nothing**

Under this option no changes are made to existing arrangements for support of failed asylum seekers. 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.

## Option 2/3 – withdrawal of support

Under these options:

- Support for ARE failed asylum seekers with children would generally be withdrawn 28 days after their ARE date.
- Support for ARE asylum seekers without children would generally be withdrawn 21 days after their ARE date.
- Support would continue for:
  - Individuals with outstanding further submissions lodged with the Home Office<sup>3</sup> for the duration of their further submissions (expected to be up to 2 weeks) and further appeals<sup>4</sup> (expected to be up to 3 months).
  - Individuals with practical barriers to their departure (including those who are certified unfit to travel and/or those who can demonstrate that they are unable to obtain the necessary travel documents from their embassy). Up to 10% of individuals are assumed to remain supported for up to 12 months as a result of practical barriers.
- Of individuals 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.<sup>5</sup> While it is highly likely that these individuals would have been granted Discretionary Leave in the absence of the proposed changes, it has been assumed that this will happen earlier under these proposals.

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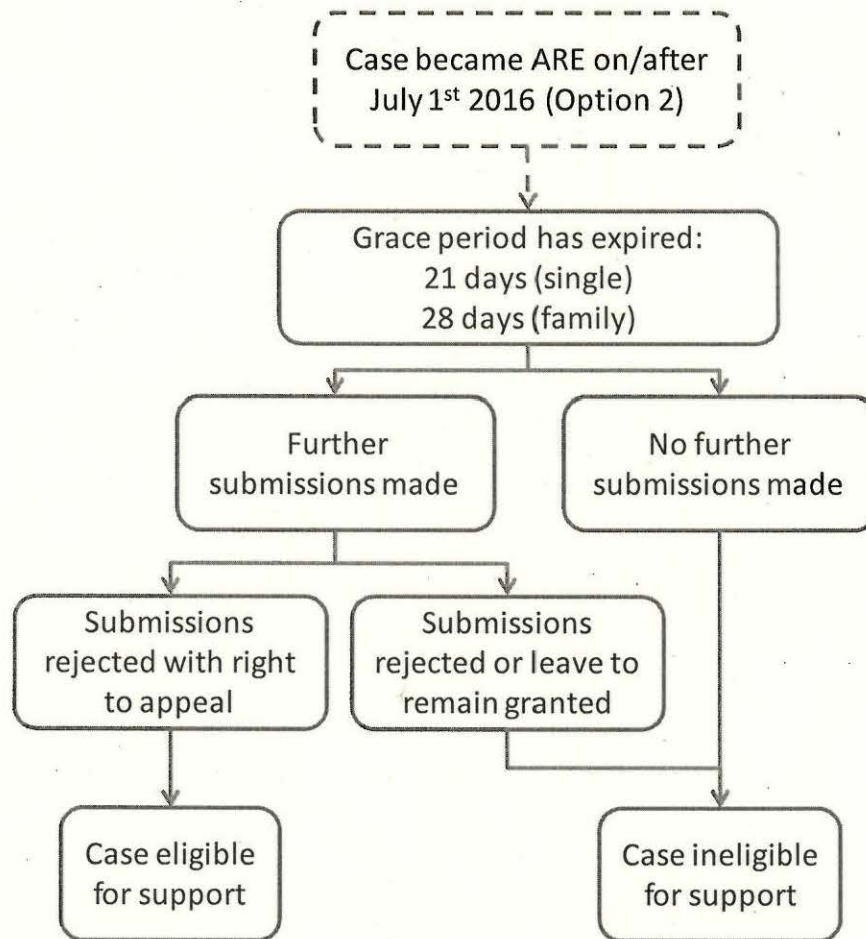
<sup>3</sup> Around 50% of the stock of ARE individuals currently supported under S4 have further submissions outstanding; the same proportion of the stock of ARE individuals supported under S95 is assumed to lodge further submissions; because of restrictions on the scope to make them, further submissions from the on-flow of supported cases (for both S95 and S4) is expected to be far lower, at under 10%.

<sup>4</sup> 5% of those further submissions are expected to lead to a refusal generating a right of appeal.

<sup>5</sup> £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>



**Figure 2: Option 2/3 flow chart of support withdrawal**



**Direct costs**

*Setup costs*

No direct estimate is available of the costs of updating Home Office IT and training Home Office staff to reflect the legislative changes proposed under Options 2/3, but these are assumed to be well below £1m and to fall only in the first year of the policy.

*Ongoing costs*

Local authorities

Local authorities have a statutory responsibility to support children 'in need' under the Children Act 1989 and similar legislation across the UK. If the support is provided to a migrant family without recourse to public funds to avoid their children being left destitute, it is likely to be similar in nature to the support provided by the Home Office under S95/S4. This responsibility is likely to be engaged in particular in cases where a family has an outstanding application with the Home Office for leave to remain on ECHR Article 8 grounds (right to respect for private and family life).

The analysis in this IA assumes that 10%-20% of individuals losing Home Office support will, 3-7 years later,<sup>6</sup> make successful claims 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 – 25% more than the greater of S95/S4 support costs and to last 3 months while the leave to remain application is decided.<sup>7</sup>

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.

We have used these assumptions to give an illustrative range of impact and we invite views from local authorities and others on how these estimates may be improved.

Table 1 gives the volume of individuals supported by local authorities under Options 2 and 3 and the associated cost.

**Table 1: ARE individuals supported by local authorities under Options 2 and 3: volumes and costs**

|  |              | <b>Option 2</b>        | <b>Option 3</b>          |
|--|--------------|------------------------|--------------------------|
| <b>Volume supported (10-year annual average)</b> | <b>S95</b>   | 400 (200 - 700)        | 500 (200 - 800)          |
|  | <b>S4</b>    | 200 (100 - 200)        | 300 (100 - 200)          |
|  | <b>Total</b> | <b>700 (300 - 900)</b> | <b>700 (300 - 1,000)</b> |
| <b>Cost (10-year PV: £m)</b>                     | <b>S95</b>   | 20 (10 - 40)           | 20 (10 - 40)             |
|  | <b>S4</b>    | 10 (0 - 10)            | 10 (10 - 10)             |
|  | <b>Total</b> | <b>30 (10 - 50)</b>    | <b>40 (10 - 60)</b>      |

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 £10,000,000 (costs); numbers may not sum due to rounding

Note: The first number in each of the ranges in Table 1 (i.e. the lower number) relates to the 'high' scenario in the analysis (and vice versa) since the 'high' scenario is that which generates the highest NPV, so will be associated with the lowest costs.

### Department for Work and Pensions

15% of individuals 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 for ARE asylum seekers, we assume that these changes will bring forward the date for this access for some individuals.

Table 2 gives the volume and associated support cost of individuals whose grant of Discretionary Leave is brought forward by the proposed changes.

<sup>6</sup> Depending on how long the family was in the UK before entering the asylum process.

<sup>7</sup> In reality this period may be reduced under procedures for expediting consideration of cases in receipt of Local Authority support, including through use of the Connect database, which provides a route into the Home Office for Local Authorities on individual cases.

**Table 2: ARE individuals granted Discretionary Leave and accessing public funds**

|  |              | <b>Option 2</b>      | <b>Option 3</b>        |
|--|--------------|----------------------|------------------------|
| <b>Volume supported (10-year annual average)</b> | <b>S95</b>   | 50 (40 - 60)         | 130 (110 - 150)        |
|  | <b>S4</b>    | 20 (10 - 40)         | 100 (70 - 130)         |
|  | <b>Total</b> | <b>70 (50 - 100)</b> | <b>230 (180 - 280)</b> |
| <b>Cost (10-year PV: £m)</b>                     | <b>S95</b>   | 4 (3 - 4)            | 10 (9 - 12)            |
|  | <b>S4</b>    | 2 (1 - 3)            | 8 (5 - 10)             |
|  | <b>Total</b> | <b>5 (3 - 7)</b>     | <b>18 (15 - 22)</b>    |

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 £1,000,000 (costs); numbers may not sum due to rounding

Note: In contrast to Table 1, the first number in each of the ranges in Table 2 (i.e. the lower number) relates to the 'low' scenario in the analysis (and vice versa).

### Voluntary Departure and Assisted Voluntary Returns

Of individuals losing Home Office support, 0%-10% are assumed to leave the UK voluntarily, but with support and assistance. Those who have means to leave the UK independently, i.e. those who can purchase their own ticket, should contact the Capita Central Voluntary Departure Service for advice in obtaining their travel document. Those who require additional support and a financial package can apply for an Assisted Voluntary Return (AVR). AVRs currently cost around £2,000 per person<sup>8</sup> for support where a child is part of the group,<sup>9</sup> plus around £600 per person for flights.<sup>10</sup> Based on this, the average cost of voluntary returns over the appraisal period is assumed to be £2,700-£3,100 per person. Under Option 2, there are up to 700 AVRs per year on average; under Option 3 there are up to 800. These figures are reflected in Table 3.

### **Wider costs**

As stated above:

- Cash costs to non residents are not included, in accordance with MAC guidance on policy assessment.
- Wider costs (including to 3rd sector organisations) are not included.

### **Benefits**

#### *Reduction in Home Office expenditure under Section 95 and Section 4*

Table 3 gives the volume of individuals from whom S95 or S4 support is withdrawn (and the volume for whom S95 support is given, following the withdrawal of S4 support) and the saving/cost implications of this.

<sup>8</sup> As the HO has recently announced plans to deliver the majority of 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. Since these arrangements are not yet established, this IA makes no adjustment to reflect this, and so is likely to overstate AVR costs (and understate the policy NPV)

<sup>9</sup> The cost is £500 less per person for singles

<sup>10</sup> These costs will vary significantly according to individuals' needs and circumstances.

Under both options, the average annual cost of support under S95 is £5,500-£6,300 per person and under S4 is £5,500-£6,300 per person over the appraisal period. Under Option 3, support is withdrawn from 7,200-11,200 S95 recipients and 2,200-7,600 S4 recipients from the policy implementation date. Under Option 2, support is withdrawn following the expiry of the 'grace period'<sup>11</sup> from individuals becoming ARE on or after the policy implementation date; levels of withdrawal under Option 2 therefore 'taper up' to those of Option 3 from 2015/16 to 2019/20; thereafter the impacts of the two options are the same.

**Table 3: Withdrawal of support from ARE individuals, volume and saving/cost**

|  |                                      | <b>Option 2</b>               | <b>Option 3</b>                |
|--|--------------------------------------|-------------------------------|--------------------------------|
| <b>Volume (10-year annual average)</b> | <b>Support withdrawn: S95 ARE</b>    | 6,500 (4,700 - 8,100)         | 8,600 (6,600 - 10,600)         |
|  | <b>Support withdrawn: S4</b>         | 3,300 (1,300 - 5,500)         | 4,600 (2,000 - 7,300)          |
|  | <b>Support extended: S95 from S4</b> | 300 (100 - 300)               | 300 (100 - 300)                |
|  | <b>Net total</b>                     | <b>9,500 (5,900 - 13,300)</b> | <b>12,900 (8,500 - 17,600)</b> |
|  | <b>AVRs</b>                          | 500 (700 - 0)                 | 600 (800 - 0)                  |
| <b>Saving/cost (10-year PV: £m)</b>    | <b>Saving: S95 ARE</b>               | 350 (240 - 470)               | 380 (270 - 500)                |
|  | <b>Saving: S4</b>                    | 190 (70 - 340)                | 220 (90 - 360)                 |
|  | <b>Cost: S95 (from S4)</b>           | 10 (10 - 20)                  | 10 (10 - 20)                   |
|  | <b>Cost: Supporting AVRs</b>         | 10 (10 - 0)                   | 10 (20 - 0)                    |
|  | <b>Net total</b>                     | <b>520 (290 - 790)</b>        | <b>570 (340 - 840)</b>         |

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 £10,000,000 (savings/costs); numbers may not sum due to rounding.

Note: In contrast to Table 1, the ranges in Table 3 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.

## **Wider Benefits**

As stated above, wider benefits from savings to wider public services (such as health and education services) resulting from the departure of migrants from the UK are not included in this Impact Assessment. These services are typically estimated to cost around £4,500 per migrant per year.

<sup>11</sup> 28 days for S95 recipients; 21 days for S4 recipients.

## Summary of costs and benefits

Table 4: Summary of impacts

|                        |                             | Option 2               | Option 3                |
|------------------------|-----------------------------|------------------------|-------------------------|
| 10-year average volume | Net reduction in HO support | 9,800 (6,100 - 13,600) | 13,200 (8,700 - 17,900) |
|                        | Assisted Voluntary Returns  | 500 (700 - 0)          | 600 (800 - 0)           |
|                        | Increase in DWP support     | 100 (0 - 100)          | 200 (200 - 300)         |
|                        | Increase in LA support      | 700 (900 - 300)        | 700 (1,000 - 300)       |
|                        | Net reduction in support    | 9,100 (5,200 - 13,200) | 12,200 (7,500 - 17,300) |
| 10-year PV: £m         | Net HO saving               | 530 (300 - 790)        | 580 (350 - 840)         |
|                        | DWP cost                    | 10 (0 - 10)            | 20 (10 - 20)            |
|                        | LA cost                     | 30 (50 - 10)           | 40 (60 - 10)            |
|                        | Net saving                  | 490 (250 - 770)        | 530 (280 - 810)         |

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 £10,000,000 (savings/costs); numbers may not sum due to rounding.

Note: As with Table 2 and Table 3, the ranges in Table 4 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.

### One in two out

There are no direct business impacts arising from any of the proposals in this IA, so the OITO impact is £0.

### Enforcement

There are assumed to be no additional enforcement activities or costs as a result of this policy. 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.

### Summary and recommendation

Based on the analysis in this Impact Assessment and taking account of the practical implications of implementing new arrangements for asylum support, the preferred option is Option 2.

### Implementation

Subject to consultation, the proposed policy changes will be legislated in 2015-16 and implemented from 1 July 2016.

### Monitoring and Evaluation

The impacts of this policy will be evaluated in July 2019.

The policy will be reviewed following evaluation.