Impact Assessment

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Title:	Ukraine Permission Extension Scheme – Route Launch – Impact Assessment November 2024
Type of measure:	Immigration Rules change
Department or agency:	Home Office
IA number:	HO IA 1007
Type of Impact Assessment	Final
RPC reference number:	N/A
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Date:	31/10/2024

1. Summary of proposal

1. The Ukraine Permission Extension scheme (UPE)[1] is planned to open in early 2025 to enable Ukrainian nationals here in the UK with temporary sanctuary under the Ukraine schemes, who continue to require sanctuary in the UK, to apply for further permission to remain living here temporarily.

2. Strategic case for proposed regulation

2. The UPE aims to fulfil the UK government's commitments to the Ukrainian government to provide temporary sanctuary in the UK for Ukrainian nationals until it is safe to return.

3. The problem under consideration is the future of the schemes with ongoing war in Ukraine. Initial temporary visas granted under one of the three Ukraine schemes - Ukraine Family Scheme (UFS), Homes for Ukraine scheme (HFU), or Ukraine Extension Scheme (UES) will begin to expire in 2025.

4. Without government intervention, the business-as-usual scenario would mean at the point of permission expiring, the right to live and work in the UK would end for these visa holders. To continue to legally reside in the UK, Ukrainian nationals would have to apply for another type of permission (for example, work, study or family visas) and meet the eligibility criteria for that route.

5. For example, on some work visas, Ukrainian nationals would have to meet salary thresholds and work in specific occupations which may limit the options available to them to continue to lawfully reside in the UK. Otherwise, some may apply for asylum or humanitarian protection, some may leave the UK or there is a risk some may remain in the UK as irregular migrants.

6. The business-as-usual scenario would increase the risk of not meeting the aims to provide temporary sanctuary to eligible Ukrainian nationals and their family members, and government intervention is required as no non-legislative intervention could provide legal status for providing rights to reside in the UK without relying on the asylum and humanitarian protection system to do so.

7. Individuals who were granted Leave Outside of the Rules (LOTR) in early 2022, prior to the schemes opening, due to the need for sanctuary from the Russian invasion, will also be eligible to apply.

8. Relative to the business-as-usual scenario, policy intervention aims to avoid the harms of:
    - not meeting UK government commitments to Ukraine

[1] https://www.gov.uk/government/publications/ukraine-permission-extension-scheme-information/ukraine-permission-extension-scheme-information

- risks of increased pressure on the asylum/humanitarian protection system
- risks of increased irregular activity[2] in the UK

9. The ONS have conducted research[3] sampling over 19,000 potential Ukraine Scheme visa holders in April 2024 who had previously responded to a previous survey (as such the sample reflects those with longer stays in the UK), of whom around 7,500 responded. Survey responses highlight "Around 9 in 10 (88%) adults who responded plan to apply for the UPE scheme, extending their permission to stay in the UK, when their current visa expires". This suggests that the majority of those sampled who have used previous Ukraine schemes may have been satisfied with previous arrangements and scheme designs and suggests designing the UPE to aim to provide a continuation of the rights as on previous Ukraine visas.

3. SMART objectives for intervention

10. The objectives are to:
    - Fulfil UK government commitments to Ukraine in providing temporary sanctuary for eligible Ukrainian nationals and their family members, with the means to do so in place prior to their current temporary sanctuary product ending (for example, prior to end of February 2025);
    - Avoid additional burden on the asylum and humanitarian protection system via applications from Ukrainians at the expiry of their initial Ukraine status visa (primarily during 2025 or 2026);
    - Ensure temporary sanctuary offered broadly aligns with wider international offers in relation to length of permission extension – such as the EU – and so does not create incentives for secondary migration.

11. The policy objectives are not misaligned with wider government objectives (such as growth, clean energy, NHS, education, setting up Border Security Command) but neither are they expected to make large contributions to achieving wider objectives – as later sections will outline, the group in scope to be impacted are a relatively small cohort in the context of the wider UK population and so the impacts on wider objectives are expected to be small, and the reason for intervention is primarily humanitarian.

12. The measurable outcomes for each of these objectives are:

13. Objective 1) The measurable outcome for the first objective will be establishing a route that provides temporary sanctuary to eligible Ukrainian nationals and their family members prior to the end of February 2025. Applications and grants occurring under that route will serve as the measure of success of this outcome.

[2] In the absence of a regular status via UPE, some who do not either qualify for another visa or apply for / obtain Humanitarian Protection may seek to remain in the UK without a right to reside in the UK.

[3] See https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/internationalmigration/bulletins/visaholdersenteringtheukundertheukrainehumanitarianschemes/15aprilto22april2024

14. Objective 2) Monitoring of Ukrainians applying for asylum or humanitarian protection following holding permission on a previous Ukraine visa – and measuring changes in volumes relative to current business-as-usual volumes – would help provide an indication of meeting the second objective.

15. Published data provides information on asylum applications by nationality (see Table 1 below) but doesn't indicate whether a previous Ukraine visa was held, and applications can be affected by factors wider than the existence of the UPE route. As a result, no hard numerical threshold would be imposed to assess meeting or not meeting the objective. However, if asylum or humanitarian protection applications from Ukrainians reach volumes in the high hundreds in 2025 or 2026 it may at least suggest reviewing whether the UPE route is functioning as intended.

Table 1 – Asylum applications by Ukrainian nationals, Year End June 2019 to 2024

Year	Volume of Applications
Year ending June 2019	181
Year ending June 2020	122
Year ending June 2021	68
Year ending June 2022	606
Year ending June 2023	125
Year ending June 2024	222

Source: Home Office Immigration System Statistics Data Tables, Table Asy_D01[4]

16. Objective 3) Length of permission offered via the UPE in relation to the EU offer will be the measurable outcome for the third objective. The EU Temporary Protection Directive is currently offering protection up to March 2026[5], and options considered for visa lengths are discussed in the long list section below. Options most closely aligning with wider international offers will best meet this objective.

4. Description of proposed intervention options and explanation of the logical change process whereby this achieves SMART objectives

17. The preferred option is to introduce the Ukraine Permission Extension scheme (UPE) in the Immigration Rules which will:

- enable Ukrainian nationals and their eligible family members living in the UK to continue their lives in the UK for, in most cases, up to a further 18 months (amounting to up to a total of 4.5 years of sanctuary overall), with the same entitlements to work, study and access to public funds as provided for under the existing Ukraine schemes.
- be open to individuals who hold, or have previously held, permission under one of the three Ukraine schemes: Ukraine Family Scheme (UFS), Homes for Ukraine scheme (HFU), or Ukraine Extension Scheme (UES). Individuals who were granted Leave

[4] See https://assets.publishing.service.gov.uk/media/66befa00c909b91981323f10/asylum-applications-datasets-jun-2024.xlsx
[5] See https://eu-solidarity-ukraine.ec.europa.eu/information-people-fleeing-war-ukraine/fleeing-ukraine-your-rights-eu_en

Outside of the Rules (LOTR) due to the need for sanctuary from the Russian invasion will also be eligible to apply.

- grant up to 18 months further permission from the date of decision. Where, for example, a child is being aligned with a parent's period of permission their permission grant may be less than 18 months.
- generally provide 28 days in advance of the current expiry date on their visa for eligible Ukrainian citizens and their family members to apply for this further permission.
- be fee free, as all existing Ukraine schemes currently are.
- exempt applicants from the requirement to pay the Immigration Health Surcharge (IHS).
- retain the temporary nature of the permission granted to remain by ensuring it cannot be relied upon to gain permanent settlement, in line with the wishes of the Ukrainian government that they will need their citizens to return to help rebuild the country, when it is safe to do so.
- will be open to some non-Ukrainian nationals who were granted sanctuary under the Ukraine schemes based on their family relationship with a Ukrainian national.

18. This, for the most part, applies the tried-and-tested methods from previous Ukraine schemes to broadly allow the same entitlements as previous Ukraine visas.

19. The intervention will meet the objective of providing a route for continued temporary sanctuary for eligible Ukrainian nationals once placed into Immigration Rules, and resources to collect, assess, process and issue decisions and status for applications under the route are in place. As long as Immigration Rules are laid in a timely manner that allows the route to be established in early 2025, it would meet the time dimension of that objective.

20. The intervention will meet the second objective, based on the UPE providing a way for Ukrainians to continue their permission in the UK with similar entitlements as current visas. To help meet the objective of avoiding burden on the asylum system, communication around UPE will be undertaken from autumn 2024 to coincide with changes to the immigration rules.

21. This communication will include work with the Ukrainian community and stakeholders, including the voluntary charity sector who work closely with the Ukrainian community, to raise awareness of the launch of the scheme and its requirements. This will enable further awareness and should mean people know about and are able to use UPE rather than apply for asylum.

22. As with the previous objective, as long as Immigration Rules are laid in a timely manner that allows the route to be established in early 2025, it would meet the time dimension of that objective.

23. Discussion of meeting the third objective is included in Section 5 below.

5. Summary of long-list and alternatives

24. Options considered varied elements within the design of the preferred option. For example:

- Visa length – 18- and 24-month length options were considered.

  A preferred option of 18 months was decided on the basis of:

  - In line with the third objective, an intention to not provide a length of leave significantly different to the EU (who are offering leave up to March 2026) and so potentially create incentives for secondary migration.
  - It is noted that should further leave after 18 months on UPE be required - which is subject to future decisions on further extensions - there may be additional costs to bear from assessing applications again within 18 months rather than 24 months as costs after 24 months may be more discounted due to time preference.

- Fees - Fee free or charge a fee were considered.

  A preferred option of fee free was decided on the basis of:

  - Consistency with previous Ukraine schemes which were also fee free, on humanitarian grounds that fees should not preclude people who have fled a war zone. This better aligns with the first objective of providing temporary sanctuary for those that need it.
  - It is noted this means assessing and processing UPE applications will incur a cost to the public sector, but as the appraisal highlights use of UPE is estimated to offer savings relative to people claiming asylum or humanitarian protection. UPE being fee free – in line with claiming asylum or humanitarian protection – may help encourage applications for UPE and avoid costs associated with claiming asylum or humanitarian protection.

Direct business costs and SaMBA considerations

25. Regardless of the options considered, the only direct impact to businesses identified are familiarisation costs to Immigration Lawyers and Advisors. These are estimated using an approach which is consistent with wider Home Office appraisal:

- Volumes of Immigration Lawyers and Advisors are sourced from the Law Societies of England and Wales[6], Scotland[7] and Northern Ireland[8] and the Annual Report of the Office of the Immigration Services Commissioner[9]. Volumes, when gathered in September 2024 suggest around 2,468 Immigration Lawyers and 3,326 Immigration Advisors may be in scope for familiarisation costs.

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[6] See Search Results - The Law Society
[7] See Find a Solicitor | Law Society of Scotland (lawscot.org.uk)
[8] See Solicitor Directory | The Law Society of Northern Ireland (lawsoc-ni.org): https://www.lawsoc-ni.org/solicitors.aspx?search=&category=27&location=
[9] See OISC Annual Report and Accounts: 2022 to 2023 - GOV.UK (www.gov.uk): https://www.gov.uk/government/publications/oisc-annual-report-and-accounts-2022-to-2023

- Familiarisation costs are estimated as the cost of time (wage cost[10] and non wage cost[11]). In 2024/25 prices, total hourly costs are around £32.67 for Immigration Lawyers and £24.54 for Immigration Advisors.
- The length of time required to familiarise is based on reading speed[12] and number of words needing to be read to familiarise. Based on standard variation for low to high reading speeds and an estimated 17,200 words to familiarise – based on the number of words in a draft policy explainer document – direct costs to business from any non "business-as-usual" option are estimated at around £0.1 million to £0.3 million as a transitional year 1 cost in 2024/25 prices.
- As such, given the three-year appraisal period the estimated Equivalent Annual Net Direct Costs to Business (EANDCB) are estimated at around £0.1 million or less.
- Whilst the final length of guidance is unknown, given the small direct cost related to the estimated 17,200 words to familiarise, it is assumed extremely unlikely final guidance will impose a significant familiarisation cost.

26. The small level of direct business impacts, and the requirement for Immigration Lawyers and Advisors to know the current version of the Immigration Rules mean no exemptions for small, micro or medium businesses would be appropriate. In addition, as lawyers and some advisors work in fee receiving businesses, it is debateable these costs are direct (fee receiving businesses have the opportunity to turn down business if the fee is not seen to offer profit after bearing all costs of supplying a service). This would apply to small, micro or medium businesses also.

27. These costs are considered transitional only, applying only to current Immigration Lawyers and Advisors, as new Immigration Lawyers and Advisors would be expected to familiarise with Immigration Rules as part of their induction to the roles and so this route does not present an additional cost to new lawyers / advisors in the future.

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[10] Sourced from Annual Survey of Hours and Earnings (ASHE) 2023 data for Immigration Lawyers (estimated at £27.29 per hour from Gross median hourly earnings in Table 14.6 for occupation 2412 'Solicitors and Lawyers') and National Careers Service data – as ASHE data does not disaggregate to the level of Immigration Advisor in occupations – suggests a top earnings point of £40,000 a year with min weekly hours of 37 – suggesting a maximum hourly rate of £20.79. ASHE data is uprated to 2024/25 pricesusing assumed productivity growth and latest GDP deflators, National Careers Service data is assumed to be in nominal terms and so reflect the position in 2024/25 prices (current prices).
Sources are:
Productivity growth: https://obr.uk/download/march-2024-economic-and-fiscal-outlook-detailed-forecast-tables-economy/?tmstv=1725280484
GDP Deflator: https://www.gov.uk/government/statistics/gdp-deflators-at-market-prices-and-money-gdp-june-2024-quarterly-national-accounts
National Careers Service data: https://nationalcareers.service.gov.uk/job-profiles/immigration-adviser-(non-government)
ASHE Data:
https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/occupation4digitsoc2010ashetable14
[11] Estimated that non-wage costs account for around 18 per cent of wage costs in 2019/20 based on:
https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/indexoflabourcostsperhourilch/julytoseptember2020
[12] See www.readingsoft.com

28. ONS data for 2023[13] suggests within the sub sector of 'legal activities' the distribution of businesses by size are broadly similar to the UK overall – see Table 2 below. This may suggest any impacts on law firms may not be disproportionate if similar impacts were to fall to businesses across the UK overall. No specific sub-sector covering Immigration Advice has been identified, and it is not known if immigration law has a similar firm size distribution to legal activities overall.

Table 2 – Distribution by Business Activity and Number of Employees in 2023

	0-9 employees	10 - 49 Employees	50 – 249 Employees	250+ Employees
Legal Activities	87%	10%	2%	<1%
UK	89%	9%	2%	<1%

Source: ONS 'UK Business: Activity, Size and Location', 2023[14]

Indirect business impacts and Small and Micro Business (SaMBA) considerations

29. Indirect business impacts would primarily be theoretical avoided costs as a result of implementing the preferred option and so impacts are compared to the business-as-usual scenario where UPE does not exist. As such choices in the design of the preferred option do not materially affect these impacts compared to avoiding the business-as-usual scenario[15]. These indirect impacts, and discussion of SaMBA consequences identified are:

- *Avoided charges from Visa Sponsorship* – where in the business-as-usual scenario Ukraine scheme visa holders are assumed to use routes involving sponsorship (primarily some work and study routes) firms avoid the charge costs associated with sponsorship.

  These charges are Certificate of Sponsorship (£239 per sponsored work applicant[16]), Confirmation of Acceptance (£25 per sponsored study applicant[17]) and Immigration Skills Charge (£1,000 per year per sponsored work applicant if a large / medium firm, £364 per year per sponsored work applicant if a small / micro firm)[18].

  Based on illustrative assumptions of a visa length of 3 years and a 50:50 split between applicants at small / micro and medium / large sponsors – illustrative assumptions based on with previous analysis of sponsored work visas[19] – the charge levels can be multiplied by relevant volumes (see 'Annex A – Methodological Approach') to estimate these avoided costs.

  A range of avoided costs of around £60 million - £130 million (2024/25 price base year, present value across the appraisal period, rounded to nearest £10 million) across the

[13] See UK business: activity, size and location - Office for National Statistics (ons.gov.uk) - https://www.ons.gov.uk/businessindustryandtrade/business/activitysizeandlocation/datasets/ukbusinessactivitysizeandlocation
[14] See footnote 13
[15] For example, given the three year appraisal period
[16] See https://www.gov.uk/uk-visa-sponsorship-employers/certificates-of-sponsorship
[17] See https://www.gov.uk/government/publications/visa-fees-transparency-data
[18] See https://www.gov.uk/uk-visa-sponsorship-employers/immigration-skills-charge
[19] See Home Office (2024) HO0490 '2024 Spring Immigration Rules Impact Assessment' - https://www.gov.uk/government/publications/changes-to-immigration-rules-impact-assessments. That IA highlights median visa lengths on Skilled Worker and Health and Care visas of around 3 years, and that on the Skilled Worker visa around 48 per cent of applicants in the year ending September 2023 were sponsored by large firms along, but only 14 per cent of care and senior care worker were. As such a simplified, illustrative 50:50 split between applicants at small / micro and medium / large firms is assumed.

three year appraisal period are estimated with a central value estimated at £100 million (2024/25 price base year, present value across the appraisal period, rounded to nearest £10 million).

The SaMBA impacts would depend on the distribution by business size of Ukraine scheme visa holders in work, or at whom those visa holders attend study. No data has been identified to understand this but as this is an avoided cost no consideration has been given to exempting SaMBA businesses.

- *Avoided Administration Costs from Visa Sponsorship* – where in the business-as-usual scenario Ukraine scheme visa holders are assumed to use routes involving sponsorship (primarily some work and study routes) firms avoid the administrative costs.

  A previous Impact Assessment[20] estimated unit costs of these actions in work routes using two previous studies in 2019 which looked at users of the predecessor visa system to the current Points-Based Immigration system. No updated data to reflect current experiences has been sourced. As such this impact will not be quantified. The policy would be expected to result in a small reduction in indirect cost to sponsors of visa main applicants for each application.

  The SaMBA impacts would depend on the distribution by business size of Ukraine scheme visa holders in work, or at whom those visa holders attend study. No data has been identified to understand this but as this is an avoided cost no consideration has been given to exempting SaMBA businesses.

- *Avoided replacement labour impacts where in the business-as-usual scenario, working migrants leave the UK – this would result in a benefit to businesses from avoiding replacing staff who otherwise leave the UK in the absence of UPE.*

  The ONS survey of Ukraine visa holders in April 2024[21] suggests around 69 per cent of adults holding Ukraine scheme visas surveyed were in employment – and Figures 2 to 4 of 'Annex A – Methodological Approach' highlight this is 69 per cent of an adult population estimated at around 105,000 to 145,000.

  In addition, the same ONS survey highlights only around 14 per cent intend to leave the UK in the absence of UPE (see paragraphs 17 to 21 of 'Annex A – Methodological Approach' for more details on this estimate).

  This suggests in a labour market with an estimated 30.3 million employees in the UK in September 2024[22], any avoided impacts are likely to be small as the volumes in scope to be impacted are small. Previous Impact Assessments[23] have noted the data issues in quantifying this type of impact.

[20] See Home Office (2020) HO0376 '*Impact Assessment for changes to the Immigration Rules for Skilled Workers*' - https://www.gov.uk/government/publications/supporting-documents-for-skilled-worker-immigration-rules.

[21] See Visa holders living in the UK under the Ukraine Humanitarian Schemes, follow-up survey - Office for National Statistics (ons.gov.uk): https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/internationalmigration/bulletins/visaholdersenteringtheukundertheukrainehumanitarianschemes/15aprilto22april2024#labour-market

[22] See https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/uklabourmarket/october2024

[23] See https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1146120/Home_Office_Impact_Assessment_HO0443_-_Immigration_Rules_April_2023_-_Salary_changes.pdf or https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/936121/Revised_Impact_Assessment_for_the_Skilled_Worker_Route_signed.pdf for example

As outlined above SaMBA impacts would depend on the distribution by business size of Ukraine scheme visa holders in work, no data has been identified to understand this but as this is an avoided cost, no consideration to exempting SaMBA businesses from this has been given.

- *Familiarisation costs for wider organisations* – Some voluntary sector organisations may also familiarise with Immigration Rules as part of ongoing support for Ukrainian diaspora in the UK. These organisations may be providing support in terms of the visa application process (for example, digital access, language support) and so may choose to familiarise with new Immigration Rules but are not mandated to familiarise. As such any familiarisation impacts would be indirect. Based on experience under current Ukraine scheme visas, this may affect a small number of organisations and is assumed to be a small-scale unquantified impact.

6. Description of shortlisted policy options carried forward

30. As highlighted in the long list – variation in options considered do not affect the estimated business impacts, and the trade-offs between options have already been identified and laid out. No further analytical work to refine options was undertaken, and a policy judgement was taken to arrive at a preferred option.

31. The section above on the long list highlights a preferred option including an 18-month visa length (best aligning with the objective to closely align with other international offers) and no fee applying (best aligning with the option for providing temporary sanctuary for those who need it).

32. This short-listed preferred option will be compared against the 'business-as-usual' scenario in analysis below.

33. Discussion of overall business impacts and micro, small, or medium business impacts as included in the long list section above will still hold for this section.

7. Regulatory scorecard for preferred option

Part A: Overall and stakeholder impacts

<table>
<tr><th colspan="2">(1) Overall impacts on total welfare</th><th>Directional rating</th></tr>
<tr><td>Description of overall expected impact</td><td>Note more detailed discussion of quantified impacts and the methods, data and assumptions underpinning them is included in ‘Annex A – Methodological Approach’.

Figures presented in Section 7 are use 2024/25 as the price base year, rounded to the nearest £0.1 million (transitional familiarisation costs) or £10 million (other impacts) and are discounted across the appraisal period (noting transitional familiarisation costs occur in year 1 only and so discounting has no impact)

Overall, central and high scenarios are estimated to result in overall net benefits to society, and the low scenario a net cost – these outcomes are driven by variation in assumptions across scenarios, in particular:

i) Assumed share of those claiming asylum or humanitarian protection assumed to receive accommodation and / or support payments.
ii) Assumed length of asylum or humanitarian protection claims

As such, overall impacts are driven by impacts falling to the public sector, and not businesses or households.

Impacts arise from assumed changes in migrant behaviour following the policy changes and are therefore very uncertain.</td><td>Positive

Based on all impacts (incl. non-monetised)</td></tr>
<tr><td>Monetised impacts</td><td>Central net present social value (NPSV) estimated at +£110 million across the appraisal period, with a range of -£430 million to + £1,910 million .

Across the appraisal period, quantified impacts relative to the business-as-usual scenario will include:

- BUSINESS IMPACT:
Transitional familiarisation costs (small direct cost to business) – estimated at around £0.2 million in the central scenario (range of £0.1 million to £0.3 million).

- PUBLIC SECTOR IMPACTS - FISCAL:
Going from ‘business-as-usual’ to ‘policy option’ scenarios sees additional people remain in the UK/remain eligible to work consistently in the UK; and additional people maintain recourse to public funds.

These are influenced by a relatively low assumed earnings profile for those in work (see paragraph 62 of ‘Annex A – Methodological Approach’) and that large volumes are estimated to see a change in eligibility for receipt of public funds between ‘business-as-usual’ and ‘policy option’ scenarios. Both these factors lead to increases in estimated fiscal pressure (a cost) that outweigh increases in estimated fiscal revenue (a benefit)</td><td>Positive

Based on likely £NPSV</td></tr>
</table>

In all scenarios, increases in fiscal pressure (estimated at around £630 million in the central scenario, with a range of £240 million to £1,050 million in low to high) outweigh estimated increases in fiscal revenue (estimated at around £180 million in the central scenario, with a range of £50 million to £450 million in low to high scenarios).

A number of factors affect the range of estimated net fiscal impacts (that is an increase in fiscal revenue minus increase in fiscal pressure), main factors being:

- Variation in assumed use of UPE from low to high scenarios (which means higher proportions of people in high scenarios see a change in outcomes such as recourse to public funds). This leads to increases in assumed fiscal pressure from low to high scenarios;
- Variation in assumed fiscal components within scenarios (see paragraphs 59 and 60 of 'Annex A – Methodological Approach') may have an impact but increase both revenue and pressure moving from low to high scenarios which will counterbalance changes in impacts to a degree.
- Variation in assumed departure rates affect volumes in scope within each scenario, with volumes increasing from low to high scenarios amplifying all impacts.

- PUBLIC SECTOR IMPACTS – FEE/CHARGE REVENUE AND PROCESSING COSTS:

Going from 'business-as-usual' to 'policy option' scenarios sees changes in use of visa products – and so changes in the resultant fee/charge revenue and processing costs as these are not uniform across all visas.

In all scenarios the cost from reductions in fee revenue outweighs any net benefit in reduced processing costs.

Impacts are estimated as:

- Reduction in revenue (cost): around £350 million in central scenario (£280 million to £290 million in low to high scenarios).
- Reductions in processing costs (benefit): around £30 million in central scenario million £20 million to £40 million in low and high scenarios)

Fee and charge revenue / cost impacts are influenced by:

- UPE being a fee free product and other visa products (family, study, work) charging a fee.
- Assumed work visas as an employee – as from low to high increased shares are assumed to use Health and Care visas, with lower fee levels and not subject to the IHS this narrows ranges of impacts (and means highest net fee / charge impacts are seen in the central scenario).

- To note, estimated net reductions in processing costs in all scenarios account for reductions in processing costs from lower use of work, family or study visas when going from ‘business-as-usual’ to ‘policy option’ scenarios, net of increased use of UPE which also incurs a processing cost. As volumes and shares assumed to apply for UPE increase from low to high scenarios, so do UPE processing costs.

- To a lesser degree the changes in departure rates and use of UPE also influence fee / charge revenue and processing costs.

- PUBLIC SECTOR IMPACTS – ASYLUM / HUMANITARIAN PROTECTION ACCOMODATION, SUPPORT AND PROCESSING COSTS:

  Going from ‘business-as-usual’ to ‘policy option’ scenarios sees public sector benefits from avoided asylum or humanitarian protection costs. Asylum or humanitarian protection support costs are the largest factor influencing overall impacts.

  Moving from low to central to high scenarios see assumptions increase in all of:
  - Volumes in the scenario
  - Assumed length of asylum or humanitarian protection claims
  - Assumed shares of those applying for asylum or humanitarian protection assumed to receive support.

  These resulting in large overall net benefits where these costs are avoided in the policy option.

  The scale of these impacts are influenced by volumes receiving support – moving from no-one in low scenarios, to a total of around 15,000 for 16 months each in central scenarios, and 40,000 for 25 months each in high scenarios – which lead to large avoided cost impacts.

  Variation in these assumptions combine to lead to the wide range of assumed benefits from avoiding these costs - estimated at around £860 million in the central scenario, with a range of £20 million to £2,770 million in low and high scenarios.

<u>Overall net present social value impact of varying assumptions in each sceanario</u>

In the low scenario, the assumption that 0 per cent of those claiming asylum or humanitarian protection receive support and accommodation limit the benefits seen and mean net fiscal and fee / charge costs lead to an overall negative net present social value in the low scenario.

As that assumption increases to 50 per cent in central and 100 per cent in high scenarios, the estimated avoided support and accommodation costs are of a scale to lead to positive overall net present social value in central and high scenarios.

	Table A12 in 'Annex A – Methodological Approach' provides the estimated quantified costs and benefits in low, central, and high scenarios.	
Non-monetised impacts	Unquantified impacts discussed will include: - HOUSEHOLD IMPACT: Social / Community impacts (neutral impact) - BUSINESS IMPACT: Avoided replacement costs for employers in the labour market (small potential benefit/neutral impact) - HOUSEHOLD IMPACT: Labour market displacement, wage, productivity impacts (neutral impact) - BUSINESS IMPACT: Avoided administrative time from employers / universities interacting with visa sponsorship (small benefit) - BUSINESS IMPACT: Small familiarisation cost to third sector parties choosing to help people with applications Unquantified impacts are estimated to be small / broadly neutral as such overall impacts are driven by quantified elements. No unquantified impact is expected to be significant in scale – see relevant sections in this paper for discussion of why. Discussion of these impacts is included in the relevant sections of this document (that is, non-monetised impacts in '(2) Expected impacts on businesses' and '(3) Expected impacts on households').	**Neutral**
Any significant or adverse distributional impacts?	Large estimated impacts affect the public sector – either through changes in net fiscal receipts/expenditure or avoided asylum support costs. The small levels of estimated impacts on businesses and households limit the potential for significant or adverse distributional impacts for those groups, and so this is given a neutral rating.	**Neutral**

(2) Expected impacts on businesses		
Description of overall business impact	Direct impacts on businesses could fall as a cost to Immigration Lawyers and Advisors in terms of familiarisation costs with new legislation. This is expected to be a relatively small impact, and well below the +/-£10 million equivalent annual net direct cost to business (EANDCB) threshold as set out in Section 5 above (EANDCB estimated at around £0.1 million or less). No other direct impacts identified. Section 5 also discussed indirect impacts on business: - assumed benefit from avoiding theoretical transfers to the public sector relating to sponsorship fees/charges when using the immigration system to sponsor workers (estimated at around £60 million to £130 million, with a central value of around £100 million. - the assumed benefit to business from avoiding theoretical administration costs from using the sponsorship system (unquantified). - the assumed benefit from avoiding theoretical labour replacement costs in the absence of UPE (unquantified, but assumed to be small as set out in Section 5). - the assumed familiarisation cost to third sector parties choosing to help people with applications (unquantified but assumed to be small, due to small number of parties affected as set out in Section 5).	**Positive**
Monetised impacts	Business Net Present Value (BNPV) estimated at around £60 million to £130 million, with a central value of around £100 million. BNPV is estimated as the quantified benefit from avoided theoretical transfers minus the small assumed direct familiarisation cost. As noted above, EANDCB is estimated at around £0.1m or less. No identified pass through to households.	**Positive** **Based on likely business £NPV**
Non-monetised impacts	Identified non-monetised business impacts are likely to be positive as discussed in the 'description of overall business impact' box.	**Positive**
Any significant or adverse distributional impacts?	No. Given the estimated small scale of business costs, and the largest quantified factor in the BNPV being a benefit to business, the scope for significant adverse impacts is small. Aside from the small direct familiarisation costs assumed to be borne by immigration lawyers and immigration advisors, and the small indirect familiarisation costs being borne by the third sector, no specific distributional impacts have been identified by region / sector.	**Neutral**

(3) Expected impacts on households		
Description of overall household impact	Households are not expected to be materially affected by the policy choice.	**Neutral**
Monetised impacts	No monetised household impacts have been identified.	**Neutral** **Based on likely household £NPV**
Non-monetised impacts	Where 'policy option' scenarios see a retention of people/workers relative to 'business-as-usual' scenarios, households may be impacted. Social and Community Impacts The Migration Advisory Committee (MAC)[24] reviewed evidence on social and community impacts and suggested "there is no evidence that migration has affected crime. There is no evidence that migration has reduced subjective well-being though some suggestion that this varies with attitudes to migration. Overall, there is no evidence that people are less satisfied with their neighbourhoods than in the past." but also that "the impacts of migration on communities is hard to measure due to their subjective nature which means there is a risk they are ignored". Research from the Migration Observatory[25] finds that 52 per cent of people surveyed in April 2023 thought that immigration numbers should be reduced, of which 37 percentage points felt they should be reduced by a lot. 32 per cent of respondents indicated that immigration was a bad or a very bad thing. However, in research undertaken by The National Centre for Social Research (NatCen)[26] highlights, of survey respondents in 2022 over half gave a score between 7 and 10 (where 10 is most positive) when asked whether 'cultural life is generally undermined or enriched' and whether it makes the country a 'worse or better place to live'. This research reflects migration overall, and outcomes may differ when discussing humanitarian migration. As such neutral impacts in terms of social and community cohesion are expected as a result of enabling Ukrainian scheme visa holders to extend stays in the UK visa the UPE. Labour Market Displacement and Wage Impacts The MAC[27] reviewed evidence on the impact of migrant workers on displacement, wages and training of resident labour. Their review findings stated:	**Neutral**

[24] All quotes in this paragraph are taken from Migration Advisory Committee (MAC) report: EEA migration - GOV.UK (www.gov.uk) - https://www.gov.uk/government/publications/migration-advisory-committee-mac-report-eea-migration

[25] See UK Public Opinion toward Immigration: Overall Attitudes and Level of Concern – Migration Observatory - UK Public Opinion toward Immigration: Overall Attitudes and Level of Concern - Migration Observatory - The Migration Observatory (ox.ac.uk)

[26] See How are attitudes to Immigration in Britain changing? | National Centre for Social Research (natcen.ac.uk) - https://natcen.ac.uk/how-are-attitudes-immigration-britain-changing

[27] All quotes in this paragraph are taken from Migration Advisory Committee (MAC) report: EEA migration - GOV.UK (www.gov.uk) - https://www.gov.uk/government/publications/migration-advisory-committee-mac-report-eea-migration

	- Displacement: On average “the majority of studies find no or little impact of immigration on the employment and unemployment outcomes of the UK-born workforce” whilst distributionally “there is evidence of differential impacts across different UK-born groups, with more negative effects for those with lower levels of education and more positive effects for those with higher levels of education. However, as our robustness checks show, these findings are subject to a significant degree of uncertainty” - Wages: “Immigration is not a major determinant of the wage growth experienced by existing residents. There is some suggestion that the impact on lower skilled groups may be more negative than for higher-skilled groups, but again these estimates are imprecise and subject to uncertainty”. - Training: “There is no evidence that migration has reduced the training of UK-born workers”. Given these findings, any impacts are thought to be negligible. <u>Productivity</u> Research has suggested inflows of skilled labour may have positive impacts on productivity and innovation, with the MAC[28] summarising these impacts as “high-skilled immigrants make a positive contribution to the levels of innovation in the receiving country” and “there is a lot of uncertainty about the impact of immigration on productivity, although most studies conclude there is a positive impact”. The MAC review of evidence also highlights quantification of productivity impacts is an area requiring further research as current methods have not resulted in reliable quantification. As such these impacts are not quantified but assumed impacts may neutral given a) not all migrants affected would be in work, b) not all migrants affected in work may be assumed to be in skilled work and c) in a labour market with an estimated 30.3 million employees in the UK in September 2024[29] the relative scale of any impact may be negligible.	
Any significant or adverse distributional impacts?	No As no meaningful overall household impacts are identified, no distributional impacts are identified.	**Neutral**

[28] Migration Advisory Committee (MAC) report: EEA migration - GOV.UK (www.gov.uk) - https://www.gov.uk/government/publications/migration-advisory-committee-mac-report-eea-migration
[29] See https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/uklabourmarket/october2024

Part B: Impacts on wider government priorities

Category	Description of impact	Directional rating
Business environment: Does the measure impact on the ease of doing business in the UK?	The policy affects a small group and intends to enable them to continue to live in the UK and undertake activity in the UK as now – wider macroeconomic impacts are expected to be minimal.	**Neutral**
International Considerations: Does the measure support international trade and investment?	The policy affects a small group and intends to enable them to continue to live in the UK and undertake activity in the UK as now – wider macroeconomic impacts are expected to be minimal.	**Neutral**
Natural capital and Decarbonisation: Does the measure support commitments to improve the environment and decarbonise?	The policy affects a small group and intends to enable them to continue to live in the UK and undertake activity in the UK as now – wider macroeconomic impacts are expected to be minimal.	**Neutral**

8. Monitoring and evaluation of preferred option

34. UPE, like the previous and existing Ukraine schemes, will be kept under review to ensure its policies are working as intended.

35. Internally, it will be possible to track uptake of the scheme by analysing data on the volumes of applications which are granted. Monitoring the volumes of rejections and refusals and the reasons for those outcomes will enable us to understand whether the scheme is fit for purpose or whether there are any unintended consequences arising. Should anything untoward be revealed by internal data, changes to the scheme will be considered. A change to the situation in Ukraine could also necessitate a change to the scheme.

36. Since May 2022, the ONS has published seven surveys[30] on the Ukraine schemes which gathered information on arrivals and integration into the UK. The latest survey, published on 3 June 2024, collected information as to current Ukraine Scheme visa holders' future intentions to apply to UPE and indicated a high awareness of the scheme (85%). Future surveys will enable the Home Office to gain an understanding of the impacts the new scheme is having based on a sample of Ukrainian nationals and whether it is successfully meeting their needs. Should it be necessary to supplement the ONS's findings, an in-house survey could be conducted.

37. The Home Office publishes migration statistics quarterly, including for the Ukraine Schemes, which will also serve to demonstrate the success of UPE.

9. Minimising administrative and compliance costs for preferred option

38. Administrative and compliance costs are expected to be lower in the preferred option than in the business-as-usual scenario for reasons as set out throughout this document (such as avoided costs in terms of time costs and charges associated with visa sponsorship, avoiding replacement recruitment costs).

39. Other than the small estimated familiarisation costs being placed on Immigration Advisors and Lawyers, no additional compliance burdens are identified for UK businesses or citizens.

40. The decision to make the route fee free reduces compliance costs in costs of applying for UPE – although as noted in Section 10 those applying for UPE are not considered part of the resident population.

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[30] Visa holders living in the UK under the Ukraine Humanitarian Schemes, follow-up survey - Office for National Statistics (ons.gov.uk): https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/internationalmigration/bulletins/visaholdersenteringtheukundertheukrainehumanitarianschemes/15aprilto22april2024

10. Main assumptions / sensitivities and economic / analytical risks

Analytical Framework and General Assumptions

41. Appraisal looks to compare outcomes in the 'policy option' (that is, where UPE is launched) to the 'business-as-usual' (that is, where UPE is not launched), and within both 'policy option' and 'business-as-usual' assumptions may vary to account for uncertainty and create low, central and high scenarios.

42. Between 'business-as-usual' and 'policy option' scenarios changes in assumed behaviour in visa product or status applied for, or presence in the UK can influence characteristics such as economic activity in the UK and earnings. These changes lead to estimated economic impacts differing between those scenarios.

43. As changes between 'business-as-usual' and 'policy option' scenarios are implemented via Immigration Rules changes, familiarisation with Immigration Rules changes can also impose costs.

44. As such, the quantified impacts in this appraisal relate to:

- Changes in fiscal revenue and pressure for those seeing changes in economic activity / earnings / presence in the UK.
- Changes in visa and associated charge revenue for immigration status applications.
- Changes in processing (and where relevant support costs) for immigration status applications,
- Familiarisation costs associated with changes in Immigration Rules.

45. General assumptions used in this appraisal include:

- Any quantified impact uses 2024/25 as the price base year.
- An appraisal period of around three years is used, with policy implementation assumed in early 2025 until the end of 2027/28. A three-year appraisal period is used given uncertainty in the Ukraine war and how long temporary sanctuary will be needed to be provided and is similar to a three-year appraisal period used in previous Ukraine scheme appraisal[31].
- The three-year appraisal period means initial permission on UPE will expire for some people within the appraisal period – for this appraisal an illustrative assumption is made that extensions will be allowed in those cases. **This is purely an illustrative assumption made for this appraisal and subject to future decisions on further extensions, and uncertainty in the trajectory of the conflict**. As such administrative costs consider the impacts of two applications in some cases.

[31] Home Office (2024) HO EN 0039 'Ukraine Family Scheme closure and changes to the Home for Ukraine Scheme' - https://assets.publishing.service.gov.uk/media/65cf89f40f4eb1001aa981a7/Economic_Note__Ukraine_scheme__-_Feb_2024.pdf

- In line with the approach taken by the Home Office in migration analysis, as recommended by the Migration Advisory Committee[32], impacts are considered for impacts on the resident population only – defined as UK citizens in this instance.
- A discount rate of 3.5 per cent is applied to quantified impacts.
- Unless otherwise stated, all volumes are presented rounded to the nearest 5,000.
- This appraisal makes a simplifying assumption – due to a lack of data at a granular level to make more well-evidence detailed assumptions – that all intending to apply for a visa product or asylum / humanitarian protection are able to meet eligibility requirements to do so. This may affect estimated impacts where:
    - If someone changes economic activity (for example changing occupation / earnings to qualify for a work visa) to meet visa requirements, the resulting fiscal impacts (for example additional revenue) are not captured in this modelling.
    - If someone is unable to meet eligibility requirements and so may have to change activity in terms of presence in the UK / visa product applied for / seeking asylum or humanitarian protection; resulting fiscal and fee & charge / processing & support costs impacts are not captured in this appraisal.

46. More detailed discussions of assumptions are included within 'Annex A – Methodological Approach'.

Analytical Risks

<u>Conflict-Analysis</u>

47. There is an unavoidable and significant degree of uncertainty inherent within the area of conflict-analysis, which extends to the estimates presented in this Impact Assessment. For instance, the analysis presented in the Impact Assessment is based on the underlying assumption that the situation in Ukraine and current humanitarian protection schemes of international counterparts remain 'as is', with no significant escalations or de-escalations across the appraisal period.

48. To reflect the inherent uncertainty estimates are presented in range form, with the ranges based on variations in departure estimates (see paragraphs 9 to 14 of 'Annex A – Methodological Approach'). This approach ensures the estimates are treated as indicative, providing a sense of scale of potential impacts should outcomes align with assumptions made in a range of scenarios, and should be interpreted in that context.

49. The estimated future behaviour of migrants and their likelihood to remain in the UK under the main assumptions has been tested using a range of assumptions in analysis, as outlined below.

<u>Human Behaviour – Presence in the UK</u>

50. This appraisal necessarily has a focus on impacts resulting from human behavioural choice, which is inherently uncertain.

[32] See https://www.gov.uk/government/publications/analysis-of-the-impacts-of-migration

51. One such area is in assumed presence in the UK at the point of current Ukraine Scheme visas expiring. To help account for this uncertainty, a range of departure rate assumptions are used - see paragraphs 9 to 14 of ‘Annex A – Methodological Approach’ for details. Theseresult in a range of volumes used in appraisal for those assumed to be present in the UK at the point of current Ukraine Scheme visas expiring.

52. Risks may still remain that either some who have been assumed to depart the UK could return or maintain links with the UK to be able to qualify for UPE, or that departures lie outside of the range provided.

53. However, a) assumed departure rates are based in part on out-turn evidence reducing this risk, and b) given the wide range of potential impacts in low to high scenarios from the range of variation in assumptions, testing wider risks in this specific assumption may in part be covered within the existing impact range were outcomes to be narrower than the range tested for other assumptions.

Human Behaviour – Applications made

54. Another uncertain area in human behaviour is around actions taken in respect to applying for UPE, applying for other visas, leaving the UK or claiming asylum. These can affect fiscal fee / charge, and asylum and humanitarian protection related impacts.

55. This risk is managed by the source – the aforementioned ONS survey - on which assumptions in this area are based reflecting the specific population in scope to be impacted. However as a sample survey, reflecting answers at a single point in time, and not specifying specific visa products (where relevant) or accounting for ability to meet eligibility requirements means data used to inform assumptions is still imperfect.

56. No further well evidenced data to refine this uncertainty, but as above given the wide range of impacts resulting from the combination of variation in assumptions testing wider risks in this specific assumption may in part be covered within the existing impact range - were outcomes to be narrower than the range tested for other assumptions.

Receipt of support and accommodation when claiming asylum / humanitarian protection

57. This risk is fully tested within appraisal – with low scenarios assuming 0 per cent of those making asylum/humanitarian protection claims receive support or accommodation, central scenarios 50 per cent and high scenarios 100 per cent. As noted in Section 7 this assumption, combined with variation in assumed lengths of claims, is the main driver of estimated net present social value. No further extensions in testing this impact are feasible.

Declaration

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Home Office

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Minister responsible:

Minister Malhotra

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: Seema Malhotra

Date: 25 November 2024

Summary: Analysis and evidence

For Final / Enactment Stage Impact Assessment, please finalise these sections including the full evidence base. For a Consultation Stage Impact Assessment, these sections can be in less detail with evidence gaps highlighted.

Price base year:	2024/25
PV base year:	2025/26

Reflects estimated change in comparison to baseline. Estimates are discounted and rounded to nearest £10 million.		1. Business-as-usual (baseline)	2. Do-minimum Option (Change in comparison to baseline)
Costs (£m)	Low	NA – no change in relation to baseline	£520 million
	High	NA – no change in relation to baseline	£1,340 million
	Best	**NA – no change in relation to baseline**	**£970 million**
(Distinguish between setup and ongoing costs, as well as private/public costs)			Only setup cost is small familiarisation cost (see Section 5) to business. All other costs are ongoing and fall to the public sector.
Benefits (£m)	Low	NA – no change in relation to baseline	£90 million
	High	NA – no change in relation to baseline	£3,250 million
	Best	**NA – no change in relation to baseline**	**£1,080 million**
(Distinguish between setup and ongoing benefits, as well as private/public benefits			All benefits are ongoing and fall to the public sector
Net present social value (£m)	Low	NA – no change in relation to baseline	-£430 million
	High	NA – no change in relation to baseline	£1,910 million
	Best	**NA – no change in relation to baseline**	**£110 million**

This table may be reformatted provided the side-by-side comparison of options is retained	**1. Business-as-usual** **(baseline)**	**2. Do-minimum Option** **(Change in comparison to baseline)**
Public sector financial costs (with brief description, including ranges)	NA – no change in relation to baseline	Public sector impacts are the main factors in NPSV estimates: *Costs* - Reduction in visa fee / IHS charge revenue (arises as UPE not subject to these fees/charges and other visa products are): £280 million (low), £350 million (central), £290 million (high). Note central is highest due to assumptions on visa products applied for varying between scenarios - Increase in fiscal pressure (arises from UPE allowing recourse to public funds, whereas other visa products / immigration statuses do not, and as people assumed to leave the UK in 'business-as-usual' are assumed to remain in the UK in 'policy option'): £240 million (low), £630 million (central), £1,050 million (high) Benefits - Reduction in visa product / charges processing costs (arises as processing costs differ between visa products): £20 million (low), £30 million (central), £40 million (high). - Increase in fiscal revenue (arises from workers remaining in the UK in 'policy option' but leaving the UK in 'business-as-usual', and change in eligibility to work for those in work in 'policy option' but unable to work for

		the duration of assumed asylum or humanitarian protection claims in 'business-as-usual'): £50 million (low), £180 million (central), £450 million (high) - Reduction in support, accommodation and processing costs for those claiming asylum or humanitarian protection (arises from assumed reduced claims for asylum or humanitarian protection when UPE exists): £20 million (low), £860 million (central), £2,770 million (high)
Significant un-quantified benefits and costs (description, with scale where possible)	NA – no change in relation to baseline	As noted in Section 7, unquantified impacts are not estimated to be significant
Key risks (and risk costs, and optimism bias, where relevant)	NA – no change in relation to baseline	Risks around uncertainty in the conflict, presence in the UK, meeting eligibility requirements for visas, and receipt of support if claiming asylum or humanitarian protection are discussed in Section 10. Variation in assumptions around those risks are tested in low, central and high scenarios - driving the range seen in overall NPSV estimates.
Results of sensitivity analysis	NA – no change in relation to baseline	NA – assumed range for testing assumptions within low – high range assumed to represent a range of uncertainty.

Evidence base

Annex A – Methodological Approach

1. This Annex sets out the data, assumptions, and methodologies used in appraisal, which inform quantified impacts in this Impact Assessment. No further discussion of unquantified elements is included, please refer to the main body of this Impact Assessment for those impacts.

Analytical Framework, Risks and General Assumptions

2. See Section 10 of the main body of this Impact Assessment.

Volumes in scope to apply for UPE (Early 2025 – 2027/28)

3. The first step in appraisal was identifying volumes in scope to apply for UPE during the appraisal period. Two main factors feed into these estimates.

i) Historical arrivals on Homes for Ukraine (HfU), Ukraine Family Scheme (UFS), grants of extensions under the Ukraine Extension Scheme (UES) and projected future arrivals on HfU

4. Historical arrivals from published Home Office Immigration System Statistics[33] estimates approximately 210,000 arrivals on UFS and HfU visas between the routes opening and the end of June 2024.

5. In addition, as the HfU route remains open to new entrants, internal Home Office projections estimate around an additional 35,000 potential arrivals on that route from June 2024 to September 2026 – all of whom would see the initial 18 month visa length on HfU expire and so potentially be eligible to apply for UPE within the three-year appraisal period.

6. Finally, published Immigration System Statistics[34] suggest UES grants – which provided status for people to remain in the UK when for example, switching from temporary work visas into UES – totalled around 25,000 from the route opening to the end of June 2024. As the UES closed for most new applicants from 16 May 2024[35], it is assumed any additional new grants on UES after June 2024 will be negligible.

7. Summing these provides a total of around *270,000 people* who - if they retain links to the UK and apply from within the UK - may be eligible to apply for a UPE visa within the appraisal period.

8. Within each appraisal year, by when arrivals are estimated to see leave to remain on current Ukraine visas expire, these volumes of arrivals are estimated at:

- Q1 2025 to End of 2025/26: 195,000
- 2026/27: 55,000
- 2027/28: 20,000

[33] Table UVS_05 of '*Immigration System Statistics data tables*', see https://assets.publishing.service.gov.uk/media/66bf6d35885e2bf285cc3890/ukraine-visa-schemes-summary-jun-2024-tables.ods
[34] Table Exe_D01 of '*Immigration System Statistics data tables*', see https://assets.publishing.service.gov.uk/media/66cf1290704a0794913a89b4/extensions-datasets-jun-24.xlsx
[35] See https://www.gov.uk/guidance/apply-to-stay-in-the-uk-under-the-ukraine-extension-scheme

ii) Estimated presence in the UK at the point of becoming eligible to apply for UPE

9. However, not all of the 270,000 cohort will maintain links to the UK, with some already having departed and some future arrivals expected to depart prior to becoming eligible to apply for UPE. Estimated permanent departures are used to estimate who may still be in the UK at the point initial leave to remain on a current Ukraine scheme visa expires, providing a proxy for eligibility to apply for UPE.

10. Home Office management information can help identify departures of those on Homes for Ukraine or Ukraine Family Scheme visas. This is used to estimate of arrivals in each month up to the end of April 2023, who within the first six months of arriving to the UK may have subsequently departed for at least 32 continuous weeks. As a share of all arrivals in a month, these estimated 'permanent departure rates within six months of arrival' were estimated to rise from March 2022 arrivals to April 2023 arrivals. As such, for estimating 'permanent departure rates within six months of arrival' for arrivals on HFU/UFS visas for arrivals from May 2023 onwards, the April 2023 profile is used.

11. After the initial six-month period, an illustrative assumption is made that in each subsequent six-month period up to the end of the visa grant period an additional 1 per cent to 5 per cent (with a central assumption of 3 per cent) of the arrival cohort are assumed to make 'permanent departures'.

12. These assumptions are applied to all arrivals, including projected future arrivals on the HFU visa, leading to an estimated permanent departure rate that during the length of a HFU or UFS visa:
    - around 30 per cent of HFU visa arrivals may make a 'permanent departure' lasting at least 32 continuous weeks in a central case, with a range of around 25 per cent to 45 per cent.
    - similarly, around 40 per cent of UFS visa arrivals may make a 'permanent departure' lasting at least 32 continuous weeks in a central case, with a range of around 30 per cent to 50 per cent.
    - No specific data on departures for UES cases has been sourced and as such an average of the 'permanent departure' rates for HFU and UFS are used to represent UES cases.

13. A number of factors should be considered when interpreting this data:
    - Analysis is based on the early cohort of arrivals on Ukraine Scheme visas. Whilst these represent the bulk of visa holders on these routes, behaviour may or may not differ for later arrivals.
    - A 32 consecutive week period of exit from the UK is used to estimate a 'permanent' departure, this is an illustrative cut-off point representing substantially more than a six-month period outside of the UK. This analysis is used to proxy eligibility under the Ukraine Permission to Extend visa, where eligibility for applicants not resident in the UK relates to links to the UK (for example, caring responsibilities in the UK, owning / renting property in the UK, employment in the UK). Those classed as 'permanent' departures are assumed to represent those without such links to the UK but there may be uncertainty in how accurate a proxy this is.
    - More widely, uncertainty in conditions in the Russian invasion of Ukraine may affect assumed departures – for example an escalation in the invasion may be assumed to correlate with a potential reduction in 'permanent' departures.

14. Noting these are highly uncertain assumptions – central estimated departure rates when applied to the estimated 270,000 arrivals cohort lead to an estimate of around *180,000 people* assumed to have arrived to the UK on a current Ukraine scheme visa, see that visa expire within the appraisal period, and not have permanently departed the UK by the point that visa expires. Low and High cases see a range of around *145,000 – 200,000 people* do similar.

15. Table A1 below sets out estimated arrivals, departures and the difference between the two which provides the estimated volumes present in the UK at the point of leave to remain ending on current Ukraine scheme visas.

Table A1 – Estimated Arrivals, Departures and Total linked* to Ukrainian Humanitarian Schemes

	Ukraine Family Scheme**	Homes for Ukraine	Ukraine Extension Scheme	**Total**
Arrivals/Extenders (Q1 2022 – Q3 2026)	60,000	185,000	25,000	**270,000**
Estimated Departures (Q1 2022 – Q3 2026)	30,000 – 15,000	85,000 – 45,000	15,000 – 10,000	**125,000 - 70,000**
Present in UK when in scope to apply for UPE	30,000 – 40,000	105,000 – 140,000	15,000 – 20,000	**145,000 – 200,000**

Source: Home Office 'Immigration system statistics data tables' Tables UVS_03 and Exe_D01 for arrivals and extensions data, Internal Home Office management information for estimated departures, and the difference between the two for estimated remainers
* Estimates are rounded to nearest 5,000 so may not sum to totals
** UFS closed in March 2024

16. Within each appraisal year, the volumes of those noted as 'present in UK when in scope to apply for UPE' in Table A1 are:

- Q1 2025 – End of 2025/26: 105,000 – 145,000 (Central = 130,000)
- 2026/27: 30,000 – 40,000 (Central = 40,000)
- 2027/28: 10,000 – 15,000 (Central = 10,000)

Outcomes within 'Business-as-usual' and 'Policy Option' Scenarios by application type or other action

17. The next stage in appraisal looks to estimate what actions people who are present in the UK at the point of their current Ukraine Scheme visa expiring take in both 'business-as-usual' and 'policy option' scenarios. In both 'business-as-usual' and 'policy option' scenarios these intentions are based on an ONS survey of Ukraine Scheme visa holders[36].

18. This survey is sample survey of arrivals up to June 2023 on a current Ukraine scheme visa who responded to a previous version of this survey. Data was collected between 15th to 22nd April 2024, and so reflects views from that specific time period only. The survey included a sample of over 19,500 adults who were invited to participate, with a response rate of 39 per cent, resulting in 7,594 total responses. The survey asks about the intentions of Ukrainians within the UK after their leave expires and is used in the analysis to determine what the 145,000 – 200,000

[36] See Visa holders living in the UK under the Ukraine Humanitarian Schemes, follow-up survey - Office for National Statistics (ons.gov.uk)

people assumed to be present in the UK when their current Ukraine scheme visa expires during the appraisal period do at that point (noting that means around 8,000 responses are assumed to be representative of that 145,000 – 200,000 group).

19. Within the ONS survey, responses to the the following questions are used to inform assumptions on intentions:

- *Thinking about a future in which you feel it is safe to return to Ukraine, in which country would you intend to live most of the time?*' – respondents who state they intend to remain in the UK most of the time in a future where they felt it safe to return to Ukraine (68 per cent, rounded to 70 per cent) are used to inform the share of those in the low 'policy option' scenario assumed to apply for UPE.
- '*Do you plan on applying for the Ukraine Permission Extension (UPE) scheme?*' – respondents saying 'yes' (88 per cent, rounded to 90 per cent) are are used to inform the share of those in the central 'policy option' scenario assumed to apply for UPE. Note in the high 'policy option' scenario an illustrative assumption is made that 100 per cent are assumed to apply for UPE.
- '*Which of the following best describes why you are not interested in applying for the Ukraine Permission Extension (UPE) Scheme?*' – respondents stating an intention to apply for a visa (67 per cent) are used in low and central 'policy option' scenarios to estimate who of those not assumed to apply for UPE stay in the UK and apply for a visa (67 per cent) or leave the UK (33 per cent).
- '*Before the Ukraine Permission Extension (UPE) scheme was announced, what did you intend to do when your visa expires?*' / *'What did you intend to do when your visa expires?'*- note these questions are similar but asked to groups who were / were not aware of UPE when surveyed respectively. These responses are set out in Table A2 below, and include a weighted value based on accounting for the share of respondents who were / were not aware of UPE when surveyed. These responses - after redistributing those who responded 'other' or 'don't know' to the main categories - are used to inform a) intentions in all 'business-as-usual' scenarios, and b) the relative shares within those stating an intention to apply for work, study an family visas are used to apportion the shares in low and central 'policy option' scenarios who state they are not applying for UPE but are applying for a visa into a visa category to apply for.

Table A2 – Estimated intentions in the absence of UPE, raw data (split by awareness of UPE at point of survey) and initial weighted total

Intention	Per cent – Aware of UPE at point of Survey	Per cent – Not aware of UPE at point of Survey	Per cent – weighted total
Apply for a family visa	10%	21%	11%
Apply for a work visa	33%	22%	32%
Apply for a student visa	3%	3%	3%
Apply for asylum / humanitarian protection	14%	8%	13%
Move back to Ukraine	6%	8%	6%
Move to a different country	4%	4%	4%
Other	2%	3%	2%
Don't know	28%	33%	29%
Total Sample Responses	6,160	900	7,060

Source: ONS 'Visa holders living in the UK under the Ukraine Humanitarian Schemes, follow-up survey', responses to '*Before the Ukraine Permission Extension (UPE) scheme was announced, what did you intend to do when your visa expires?*' / '*What did you intend to do when your visa expires?*'; and final column is Home Office analysis creating weighted total distribution.

20. After redistributing those responding 'don't know' or 'other' outcomes in 'business-as-usual' are assumed as in Table A3 below.

Table A3 – Estimated intentions in the absence of UPE, weighted total for 'Business-as-usual' scenarios

Intention	Per cent – weighted total
Apply for a family visa	16%
Apply for a work visa	46%
Apply for a student visa	4%
Apply for asylum / humanitarian protection	19%
Leaves the UK	14%

Source: Home Office analysis as described in paragraph 19, based on ONS 'Visa holders living in the UK under the Ukraine Humanitarian Schemes, follow-up survey', responses to '*Before the Ukraine Permission Extension (UPE) scheme was announced, what did you intend to do when your visa expires?*' / '*What did you intend to do when your visa expires?*'.

21. Accounting for shares assumed to apply for UPE, leave the UK, and apportioning those stating an intention to not apply for UPE but to apply for a visa into a specific visa group (one of work, study or family), outcomes in 'policy option' scenarios are assumed as in Table A4 below.

Table A4 – Estimated intentions in 'Policy Option' scenarios

Intention	Per Cent - Low	Per Cent - Central	Per Cent - High
Applies for UPE	70%	90%	100%
Apply for a family visa	6%	2%	0%
Apply for a work visa	14%	5%	0%
Apply for a student visa	1%	Less than 1%	0%
Leaves the UK	10%	3%	0%

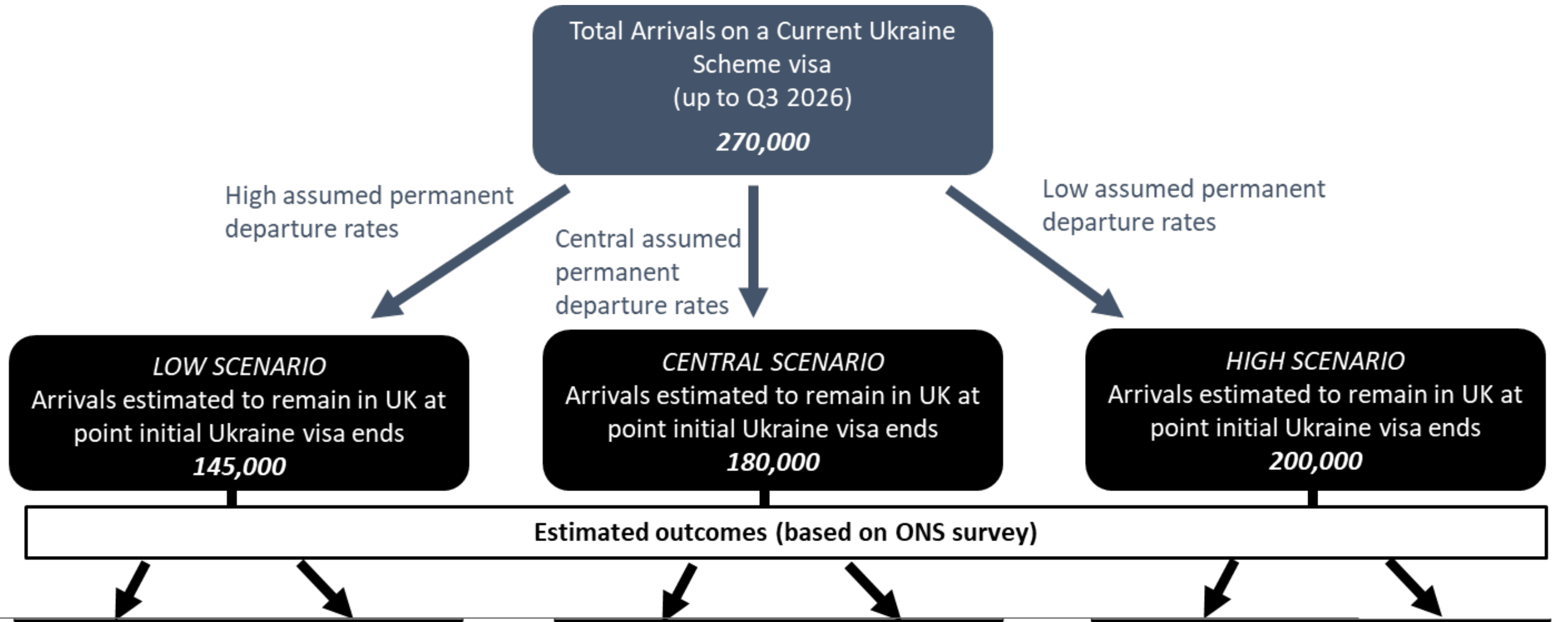
Source: Home Office analysis as described in paragraph 19, based on ONS 'Visa holders living in the UK under the Ukraine Humanitarian Schemes, follow-up survey', responses to '*Before the Ukraine Permission Extension (UPE) scheme was announced, what did you intend to do when your visa expires?*' / '*What did you intend to do when your visa expires?*'.

Volumes Summary – Arrivals, Presence in the UK at point of current Ukraine Scheme visa expiry, and Estimated Outcomes in terms of application or presence in the UK

22. The combination of analysis as described in the 'Volumes in scope to apply for UPE (Early 2025 – 2027/28)' and 'Outcomes within 'Business-as-usual' and 'Policy Option' Scenarios by application type or other action' sections are illustrated in Figure 1 below. Figure 1 shows estimated volumes of arrivals who are estimated to see current leave to remain on Ukraine scheme visas during the appraisal period, how that arrivals volume is impacted by assumed permanent departures in low, central and high cases, and what shares and resultant volumes are estimated by application type / leaving the UK in low, central and high 'business-as-usual' and 'policy option' scenarios.

23. The modelling is subject to a high level of uncertainty meaning actual outcomes may be outside the range presented. For example, high uncertainty derives from modelling future behaviour around arrivals, departures and intentions to use UPE visas, and accounting for maintained potential links to the UK even if not residing in the UK; uncertainty in the ONS sample survey data from April 2024 holding for the wider population in the long term; and wider uncertainty in conditions and the ongoing war in Ukraine.

Figure 1 – Flow Diagram to illustrate outcomes for total volumes and shares of Ukraine Scheme visa arrivals across appraisal period in low, central and high scenarios



Outcome (Per Cent and Volume)	Policy Option		Business-as-Usual		Policy Option		Business-as-Usual		Policy Option		Business-as-Usual	
Applies for UPE:	70%	*100,000*	0%	*0*	90%	*165,000*	0%	*0*	100%	*200,000*	0%	*0*
Applies for Work Visa:	14%	*20,000*	46%	*65,000*	5%	*10,000*	46%	*85,000*	0%	*0*	46%	*90,000*
Applies for Family Visa:	5%	*5,000*	16%	*25,000*	2%	*5,000*	16%	*30,000*	0%	*0*	16%	*35,000*
Applies for Study Visa:	1%	*Below 5,000*	4%	*5,000*	<1%	*Below 5,000*	4%	*10,000*	0%	*0*	4%	*10,000*
Leaves the UK:	10%	*15,000*	14%	*20,000*	3%	*5,000*	14%	*25,000*	0%	*0*	14%	*30,000*
Claims Asylum:	0%	*0*	19%	*30,000*	0%	*0*	19%	*35,000*	0%	*0*	19%	*40,000*

Fees, Charges, Processing and Support Cost Impacts

24. This section sets out assumptions that affect fee and charge revenue, processing costs and support costs, and estimates these impacts. These include:

- Visa Fee revenue and processing costs (public sector impact)
- Immigration Health Surcharge (IHS) revenue and processing costs (public sector impacts)
- Asylum application processing costs (public sector impacts)
- Support costs for asylum applications where in receipt of asylum support (public sector impacts)
- Immigration Skills Charge (ISC) revenue (transfer between business to public sector) and processing costs (public sector impacts)
- Certificate of Sponsorship (CoS) revenue (transfer between business to public sector) and processing costs (public sector impacts)
- Confirmation of Acceptance (CaS) revenue (transfer between business to public sector) and processing costs (public sector impacts)

25. Unless otherwise stated, these impacts are estimated as the relevant volume multiplied by the relevant fee / charge / processing cost level. The exception to this are asylum support costs, where these support costs can be spread over multiple years and so require additional calculations in modelling.

26. The ONS survey of Ukraine visa holders does not specify which visa products people may apply for if intending to apply for visas. As such assumptions on specific products assumed to be used are set out below. Fee levels for visa products can vary depending on if applying from in or out of the UK. As those switching from current Ukraine scheme visas are assumed to be in the UK, fee levels are assumed to reflect in country visa products.

27. It is noted some adults stating intentions to apply for family visas may include some who may use dependant visas of work or study main applicants, but no well-evidenced data to enable an account for this has been sourced.

28. Volumes in the appraisal who are estimated to be adults or children affect estimated IHS impacts and volumes who may face ISC / CoS / CaS as part of visa applications. Published Immigration System statistics[37] are used to estimate shares of adults and children in this appraisal. Those published statistics suggest around 28 per cent of those on current Ukraine visas who have arrived to the UK by June 2024 were aged under 18, informing the assumption in this appraisal. So for example if 100,000 people were assumed to apply for UPE in a scenario, around 72,000 would be assumed to be adults, and 28,000 children. Then if of the adults, half were assumed to apply for a specific visa product, half the children would be assumed to be their dependants on that visa product..

UPE

29. UPE will be a fee free product[38], as such no fee revenue is estimated from use of UPE in 'policy option' scenarios.

[37] Table UVS_04 of '*Immigration System Statistics data tables*', see https://assets.publishing.service.gov.uk/media/66bf6d35885e2bf285cc3890/ukraine-visa-schemes-summary-jun-2024-tables.ods
[38] See https://www.gov.uk/government/publications/ukraine-permission-extension-scheme-information/ukraine-permission-extension-scheme-information

30. UPE processing costs occur in the 'policy option'. For the purpose of this appraisal, an illustrative processing cost for UPE has been estimated. **Actual unit processing costs may differ from this estimate, which has been developed to provide a sense of scale of potential impacts for this appraisal only**. This estimate is based on assumptions on the number of caseworkers required to process applications, the volume of applicants needing to re-enrol biometrics, and the cost of the technical development of the scheme. To help account for uncertainty in this estimate, assumptions used have been chosen to lean towards a higher end estimate of unit processing costs, which may also align with the principles behind Green Book guidance regarding optimism bias. This provides a potential estimate for UPE processing costs of around £45. Given that even if doubled, the resulting scale of impact would not materially impact the directions of estimated net present social value in low, central or high scenarios, no range around this assumption is used in modelling.

31. UPE will have a visa duration of 18 months, meaning that, should the need for sanctuary from the conflict in Ukraine persist, a further extension of Ukraine scheme permission may become due within the 3-year appraisal period. This appraisal makes an assumption that should they be required, UPE extensions will be permitted – **this is purely an illustrative assumption made for this appraisal and subject to future decisions on further extensions, and uncertainty in the trajectory of the conflict**. A further assumption is made that all those making an initial UPE application would make extension applications, implicitly assuming all those who make permanent departures do so prior to applying for UPE. This may mean estimated impacts from extension applications may lean towards providing overestimates of impacts. Estimated volumes of initial and extension applications are set out in Table A5 below.

Table A5 – Estimated UPE applications in 'Policy Option' scenarios

	Low		Central		High	
	Initial UPE Applications	Extension UPE Applications	Initial UPE Applications	Extension UPE Applications	Initial UPE Applications	Extension UPE Applications
2025/26 *	75,000	0	120,000	0	145,000	0
2026/27	20,000	55,000	35,000	90,000	40,000	105,000
2027/28	5,000	35,000	10,000	55,000	15,000	65,000
Total	100,000	90,000	165,000	140,000	200,000	175,000

Source: Home Office analysis as described in 'Volumes in scope to apply for UPE (Early 2025 – 2027/28)' and 'Outcomes within 'Business-as-usual' and 'Policy Option' Scenarios by application type or other action' sections.
* Note includes applications in Feb / March 2025 as within 2025/26 year.

32. As such UPE processing costs are estimated in the 'policy option' as the volumes of applications in Table A5, multiplied by the estimated £45 processing cost.

Work Visas

33. Visa routes: This appraisal varies assumptions for work visa products applied for in low, central and high scenarios on the basis of a) if assumed to be working as an employee or self-employed, and b) given work visa products vary by fee and charge levels associated with them assuming a variation in products used between scenarios to help illustrate uncertainty in these impacts. It is assumed all adults applying for work visas will come from people already in work. The previously referenced ONS survey of current Ukraine scheme visa holders in April 2024 suggested 84 per cent of adults in work were employees when surveyed, and 16 per cent self-employed. As such, assumed visa routes used are:

- Low Scenario: 100 per cent of employees use Skilled Worker visa, as the one of two ‘popular’ work visas[39] (Skilled Worker or Health and Care visas) with higher fee and charge levels, and those working as self-employed are assumed to start a new business under the Innovator Founder visa.
- Central Scenario: 50 per cent of employees use Skilled Worker visa, and 50 per cent use Health and Care visa the two ‘popular’ work visas, and those working as self-employed are assumed to start a new business under the Innovator Founder visa.
- High Scenario: 100 per cent of employees use Health and Care visa, as the one of two ‘popular’ work visas with lower fee and charge levels, and those working as self-employed are assumed to start a new business under the Innovator Founder visa.

34. Visa lengths: Innovator founder visas are set at three years, and previous analysis[40] of Skilled Worker / Health and Care visas has estimated median visa lengths of around three years, which are assumed here. Three-year visas mean only a single application on any of these products are assumed during the appraisal period.

35. Fee, Charge and Processing Costs: These are drawn from published sources as set out in Table A6 below.

[39] See https://www.gov.uk/browse/visas-immigration/work-visas - setting out Health and Care visa and Skilled Worker visa as ‘popular work visas’.
[40] See Home Office (2024) HO0490 ‘2024 Spring Immigration Rules Impact Assessment’

Table A6 – Estimated work visa and associated charge levels, processing costs, and sources

Fee / Charge	Fee / Charge Level	Processing Cost	Source
Skilled Worker visa *Up to 3 year product*	£827	£151	Visa Fees Transparency Data[41]
Health and Care visa *Up to 3 year product*	£284	£151	See footnote 41
Innovator Founder	£1,486	£428	See footnote 41
CoS *Applies to main applicants (adults) only* *Does not apply to Innovator Founder*	£239	£230	See footnote 41
IHS – Adult *Does not apply to Health and Care applicants*	£1,035 per year	0.9 per cent of charge (~£9 per year)	Charge Level: IHS webpage[42] Processing Cost: See footnote 40
IHS - Child *Does not apply to Health and Care applicants*	£776 per year	0.9 per cent of charge (~£7 per year)	Charge Level: See footnote 42 Processing Cost: See footnote 40
ISC *Applies to main applicants only (in this appraisal all adults using relevant visa routes are main applicants)* *Does not apply to Innovator Founder*	£1,000 a year for large / medium businesses for each work visa holder sponsored £364 a year for small / micro businesses for each work visa holder sponsored Illustrative assumption made that 50% of business are large / medium and 50% small / micro – leads to average of £682 per applicant per year	1.79 per cent of charge (~£12 per applicant per year based on average charge of £682 a year)	Charge level: UK visa sponsorship for employers webpage[43] Processing Cost: See footnote 40

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41 https://www.gov.uk/government/publications/visa-fees-transparency-data. All references to 'Visa Fees Transparency Data' refer to this source, and the table of fees and unit costs as of 24 July 2024 was used in this appraisal.
42 See https://www.gov.uk/healthcare-immigration-application/how-much-pay
43 See https://www.gov.uk/uk-visa-sponsorship-employers/immigration-skills-charge

36. Total estimated volumes using work visas in each scenario are set out in Figure 1 above, and as only a single application is assumed for each person during the appraisal period no extension applications need to be accounted for. Table A7 below sets out further disaggregation of the relevant volumes from Figure 1 by visa route, if adult /child, and which volumes apply to which fees / charges and processing costs.

Table A7 – Total volumes applying for work visas across appraisal period in low, central and high 'business-as-usual' and 'policy option' scenarios by via product / charge faced

		Low		Central		High	
	Used for	Business-as-Usual	Policy Option	Business-as-Usual	Policy Option	Business-as-Usual	Policy Option
Skilled Worker - Adult	*- Visa fee and processing cost, - CoS fee and processing cost, - ISC fee and processing cost, - IHS (adult charge level) and processing cost*	40,000	10,00 0	25,000	Fewer than 5,000	0	0
Skilled Worker - Child	*- Visa fee and processing cost, - IHS (child charge level) and processing cost*	15,000	Fewer than 5,000	10,000	Fewer than 5,000	0	0
Health and Care - Adult	*- Visa fee and processing cost, - CoS fee and processing cost, - ISC fee and processing cost*	0	0	25,000	Fewer than 5,000	55,000	0
Health and Care - Child	*- Visa fee and processing cost*	0	0	10,000	Fewer than 5,000	20,000	0
Innovator Founder - Adult	*- Visa fee and processing cost, - IHS (adult charge level) and processing cost*	10,000	Fewer than 5,000	10,000	Fewer than 5,000	10,000	0
Innovator Founder - Child	*- Visa fee and processing cost, - IHS (child charge level) and processing cost*	Fewer than 5,000	Fewer than 5,000	Fewer than 5,000	Fewer than 5,000	Fewer than 5,000	0
Total		65,000	20,00 0	85,000	10,000	90,000	0

Source: Home Office analysis. Disaggregates data from Figure 1 for those in 'Applies for Work visa' categories based on information as set out in paragraphs 28, and 33-35, and Table A6.

37. Volumes in Table A7 are multiplied by the relevant fee and charge levels from Table A6 to estimate revenue impacts and multiplied by the relevant unit processing cost levels from Table A6 to estimate processing cost impacts. For IHS and ISC estimates – as these vary with lengths of visas - fee, charge levels and processing costs are multiplied by assumed visa lengths in these calculations.

38. Differences in impacts between 'Business-as-Usual' and 'Policy Option' scenarios for visa and IHS fee / charge levels and processing costs, and for ISC and CoS processing costs feed into the Net Present Social Value (NPSV) estimates. Additionally, the difference in impacts for ISC charges and CoS fee revenue represents a change in transfers from businesses to the public sector, as discussed in the section on indirect impacts to businesses in the main body of the IA.

Family visas

39. Family visas are assumed as a single product[44] which leads to assumptions of:

- Visa Length: 2.5 years. This means similar to UPE, there will be some extension applications assumed for Family visas.
- Visa fee level and processing cost: Based on visa fees transparency data[45] a fee level of £1,258 and processing cost of £399 per application is assumed.
- IHS charge level and processing costs: Similar assumptions as set out in Table A7, adult charge level of £1,035 per applicant per year, child charge level of £776 per applicant per year. Processing costs estimated at 0.9 per cent of charge levels.

40. Table A8 below illustrates the assumed volumes of applicants on Family visas. Initial applicants reflect disaggregation of data in Figure 1 above into adults and children, and extension applicants reflect those initial applicants for Family visas whose leave to remain on a current Ukraine Scheme visa is assumed to expire before the end of September 2025 and so may see a 2.5-year Family visa also expire during the appraisal period.

[44] See https://www.gov.uk/uk-family-visa for visa details
[45] See footnote 41

Table A8 – Total adult and child volumes applying for family visas across appraisal period in low, central and high 'business-as-usual' and 'policy option' scenarios by initial or extension applicants

		Low		Central		High	
	Used for	**Business-as-Usual**	**Policy Option**	**Business-as-Usual**	**Policy Option**	**Business-as-Usual**	**Policy Option**
Family Visa - Adult	*- Visa fee and processing cost, - IHS (adult charge level) and processing cost*	15,000 - Initial Applicants	5,000 - Initial Applicants	20,000 - Initial Applicants	Fewer than 5,000 - Initial Applicants	25,000 - Initial Applicants	0
		10,000 - Extension Applicants	Fewer than 5,000 - Extension Applicants	10,000 - Extension Applicants	Fewer than 5,000 - Extension Applicants	15,000 - Extension Applicants	0
Family Visa - Child	*- Visa fee and processing cost, - IHS (child charge level) and processing cost*	5,000 - Initial Applicants	Fewer than 5,000 - Initial Applicants	10,000 - Initial Applicants	Fewer than 5,000 - Initial Applicants	10,000 - Initial Applicants	0
		Fewer than 5,000 - Extension Applicants	Fewer than 5,000 - Extension Applicants	Fewer than 5,000 - Extension Applicants	Fewer than 5,000 - Extension Applicants	Fewer than 5,000 - Extension Applicants	0

Source: Home Office analysis. Initial Applicants: Disaggregates data from Figure 1 for those in 'Applies for Family visa' categories based on information as set out in paragraph 28. Extension Applicants: Based on initial applicants who see that initial application expire within the appraisal period.

41. Fee and IHS revenue and processing costs are estimated by multiplying the volumes in Table A8 by the fee/charge levels and unit processing costs as set out in paragraph 39, multiplying IHS charge levels and unit processing costs by the assumed 2.5 years visa length.

Study visas

42. Those applying for study visas are assumed to apply for the Student visa[46], at a level consistent with eligibility to sponsor dependants, for courses that provide a three year visa length. These are illustrative assumptions.

43. Assumed fee and charge levels and unit processing costs are:
- Student visa: £490 fee and £199 processing cost[47]
- Confirmation of Acceptance (applies to main applicants only): £25 fee and £30 processing cost[48]
- Immigration Health Surcharge: Both adults and children see a charge level of £776 per year per applicant, and processing costs of 0.9 per cent of charge levels. These are multiplied by assumed visa length in calculations of total IHS revenue and processing costs[49].

44. As such, the volumes applying for a Student visa are purely a disaggregation of the volumes of 'Applies for Study visa' from Figure 1 above, disaggregated by age to account for Confirmation

[46] See https://www.gov.uk/student-visa
[47] See footnote 41
[48] See footnote 41
[49] See footnote 42 for source for charge levels and footnote 40 for source for assumed processing cost.

of Acceptance fees (transfer between the private and public sectors) and Confirmation of Acceptance processing costs (public sector impact), which apply only to main applicants (adults). These volumes – set out in Table A9 below – are multiplied by fee/charge levels and processing costs as set out in paragraph 43.

Table A9 - Total adult and child volumes applying for student visas across appraisal period in low, central and high 'business-as-usual' and 'policy option' scenarios

	Used for	**Low**		**Central**		**High**	
		Business-as-Usual	**Policy Option**	**Business-as-Usual**	**Policy Option**	**Business-as-Usual**	**Policy Option**
Student Visa - Adult	*- Visa fee and processing cost, - CaS fee and processing cost, - IHS (discounted charge level) and processing cost*	Fewer than 5,000	Fewer than 5,000	5,000	Fewer than 5,000	5,000	0
Student Visa - Child	*- Visa fee and processing cost, - IHS (child charge level) and processing cost*	Fewer than 5,000	Fewer than 5,000	Fewer than 5,000	Fewer than 5,000	Fewer than 5,000	0

Source: Home Office analysis. Disaggregates data from Figure 1 for those in 'Applies for Study visa' categories based on information as set out in paragraph 28.

Applies for Asylum / Humanitarian Protection

45. No fee applies when claiming asylum / humanitarian protection, and neither do other charges such as the IHS. As such, only processing costs and asylum support and accommodation costs apply when considering asylum / humanitarian protection claims. Similar to assumptions on visa eligibility, all assumed to make asylum / humanitarian protection claims are assumed to be granted - this **is a purely illustrative, simplifying assumption made for this appraisal**.

46. Processing costs are estimated on the basis of internal management data on assumed staff costs and productivity. An illustrative assumption of £1,125 for processing an asylum/humanitarian protection claim for Ukrainians is made on this basis – **this may not hold in wider cases and it is unclear how far assumed productivity will be reflected in outcomes**. In line with wider Home Office modelling of asylum cases, an adjustment is made to account for multiple people being attached to a single claim. Processing costs apply to all asylum/humanitarian protection applications and are estimated as the volumes in 'business-as-usual' scenarios in Figure 1, divided by assumed people per claim, multiplied by the assumed processing cost.

47. Some claiming asylum/humanitarian protection may receive Asylum Support and accommodation – <u>these support costs are the main driver of estimated impacts in this appraisal</u>.

Estimates of these costs are taken from a previous Impact Assessment[50], which set out central assumptions that 3.5 per cent of those receiving support receive monetary support of £6.18 per day, and the remainder receive accommodation support estimated at £105 per night.

48. As that previous Impact Assessment sets out these "costs will depend on the number of cases to be decided, the proportion of these that require Home Office support, the nightly cost of accommodation and support, and the length of time taken to decide claims (including any appeals)"[51], as such assumptions for lengths of claim, and receipt of support are required.

49. Internal management information suggests for claims from Ukrainians that have seen a decision be made in recent years, a range of median time taken could be 10 – 25 months, with a central value of 16 months. These are reflected in the appraisal assuming low, central and high lengths of claim of 10, 16 and 25 months respectively. To note, as historical outcomes these timings may not reflect current processing times within the asylum system but may help account for if a substantial increase in claims for asylum/humanitarian protection in the 'business-as-usual' scenarios affects time taken to process claims.

50. As receipt of asylum support and accommodation is an assumption that has a large impact on the estimated net present social value, in the absence of well evidenced data on potential receipt of support by Ukrainians should they claim asylum in the absence of UPE, a **purely illustrative** range for receipt of asylum support and accommodation is assumed of 0 per cent in low scenarios, 50 per cent in central scenarios, and 100 per cent in high scenarios. The widest range possible has been used to illustrate the widest scale of uncertainty in this assumption. Outcomes may differ from the precise assumed values in scenarios but will be within the range assumed.

51. Combining the information in paragraphs 47 to 50 leads to assumed support and accommodation costs per person in scenarios of:
    - Low: £0 (as 0 per cent assumed to receive support)
    - Central: £49,000 (applies to 50 per cent of those claiming asylum / humanitarian protection)
    - High: £77,000 (applies to 100 per cent of those claiming asylum / humanitarian protection)

52. These estimates are broadly comparable in sense of scale to those assumed in a previous Impact Assessment[52] which had a range of £106,000 - £165,000 but assumed longer claim lengths and had lower assumed accommodation costs.

53. When the assumed length of claims exceeds 12 months, this appraisal allocates support and accommodation costs across appraisal years based on the percentage of total estimated costs occurring within the first, second, and (if applicable) third 12-month period in appraisal. As such, this consideration of time period of support and accommodation costs adds an additional element, preventing the estimates from being a straightforward calculation of support and accommodation costs multiplied by volume.

54. This only has a minor impact through affecting discounted values relative to assuming the full cost occurs at the point of application. It should be noted that only costs incurred during the

[50] Home Office (2024) HO0496 'The Illegal Migration Act 2023 (Amendment) Regulations 2024' - https://www.legislation.gov.uk/ukia/2024/119/pdfs/ukia_20240119_en.pdf
[51] See footnote 50.
[52] Home Office (2023) HO0438 'Illegal Migration Bill' - https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1165397/Illegal_Migration_Bill_IA_-_LM_Signed-final.pdf

appraisal period are included. For example, for the small estimated volumes assumed to initiate asylum or humanitarian protection claims in the final year of appraisal, where these claims last for 16 or 25 months, some support or accommodation costs will fall outside of the appraisal period. However, as paragraph 16 illustrates the majority of volumes fall in the first year of appraisal the impact of this will be limited.

55. Estimated volumes of those in 'business-as-usual' scenarios in Figure 1 in 'Applies for Asylum' categories are disaggregated by whether assumed to receive support and accommodation or not, are provided in Table A10 below.

Table A10 - Total assumed asylum/humanitarian protection volumes across appraisal period in low, central and high 'business-as-usual' and 'policy option' scenarios by whether assumed to receive support or not

		Low		Central		High	
	Used for	**Business-as-Usual**	**Policy Option**	**Business-as-Usual**	**Policy Option**	**Business-as-Usual**	**Policy Option**
Asylum - Unsupported	*- Processing Costs*	30,000	0	15,000	0	0	0
Asylum - Supported	*- Processing costs* *- Accommodation / support costs*	0	0	15,000	0	40,000	0

Source: Home Office analysis. Disaggregates data from Figure 1 for those in 'Applies for Asylum' categories based on information as set out in paragraph 51.

Limitation in all fee and charge revenue, processing costs, and asylum support and accommodation costs analysis

56. There are limitations in this analysis, as set out in the 'General Assumptions' above, which do not account for the possibility of failing to meet eligibility requirements. If eligibility requirements are not met, individuals may need to change their intended actions regarding their applied status or presence in the UK. In 'business-as-usual' scenarios, this could affect estimated fee and charge revenue, as well as processing and support costs.

Fiscal Impacts

57. Fiscal impacts are estimated using similar methods and assumptions as previous appraisals – for example see the previous Ukraine scheme appraisal[53] or previous Impact Assessments such as for changes to Spring 2024 Immigration Rules[54]. Fiscal modelling is based on estimated changes in 'stocks' of migrants by economic activity (such as earnings, employment and presence in the UK) and age, which together influence estimates of fiscal revenue and fiscal pressure. Low, central and high scenarios within both 'business-as-usual' and 'policy option' vary the components of fiscal pressure and fiscal revenue included as set out in paragraphs 59 and 60 below.

58. 'Stocks' reflect the total assumed populations within appraisal assumed to be resident in the UK – each year of appraisal sees new 'flows' adding to the stock and departures in that year reducing the stock. As the assumption in the 'policy option' scenario is that no permanent departures occur after initial UPE applications, the stocks at the end of the appraisal period

[53] Home Office (2024) HO EN 0039 'Ukraine Family Scheme closure and changes to the Home for Ukraine Scheme' - https://assets.publishing.service.gov.uk/media/65cf89f40f4eb1001aa981a7/Economic_Note__Ukraine_scheme__-_Feb_2024.pdf
[54] See footnote 40

reflect those shown in Figure 1 above, with stock levels increasing each year as new flows are added, as outlined in paragraph 16.

59. Fiscal pressures include estimated spending on health, education, personal social services, wider public services, and core congestible public goods in all scenarios. Non-core congestible public goods are added in the central scenario and pure public goods are added in the high scenario. As Ukrainian nationals on the schemes have recourse to public funds, welfare estimates are included and based on internal data provided by DWP. This is estimated at approximately £2,000 per claimant (to the nearest thousand)[55]. Changes in the stocks of adults and children resident in the UK, or with access to welfare affect fiscal pressure estimates.

60. Fiscal revenue includes estimated income tax, national insurance, indirect tax, council tax and corporation tax in all scenarios. Business rates are added in the central scenario, and gross operating surplus and other taxes are added in the high scenario, and models how changes in stocks can affect those tax receipts – affected by changes in volumes in work and earnings.

61. Assumed employment rates and earnings of Ukraine Scheme visa holders are taken from the ONS survey of Ukraine scheme visa holders, which suggests 69 per cent of adults are in employment, and provides a monthly earnings distribution for net earnings. This monthly distribution is converted to gross earnings[56], and annualised to provide estimated annual earnings. After accounting for redistribution of the small shares who responded 'Don't know' or 'prefer not to say', the estimated gross earnings distribution is as outlined in Table A11 below.

Table A11 – Estimated gross annual earnings of those estimate to be in work in this appraisal

	Up to around £9,500	Between around £9,500 and around £12,000	Between around £12,000 and around £15,000	Between around £15,000 and around £18,500	Around £18,500 or higher
Share of estimated Ukraine scheme visa holders in work	18%	7%	10%	13%	52%

Source: Home Office analysis as described in paragraph 61, based on ONS 'Visa holders living in the UK under the Ukraine Humanitarian Schemes, follow-up survey', responses to '*What was your take-home pay last month?'*.

62. Based on the visa product applied for in 'business-as-usual' and 'policy option' scenarios, simplifying assumptions are made on the economic activity and earnings within those groups (noting discussion below focusses on adults):

- Groups who apply for visas or leave the UK in 'policy option' scenarios are also assumed to be part of those who do so in 'business-as-usual' scenarios (where the absence of UPE sees volumes doing so grow larger) – as such there is no estimated change in fiscal impact for these groups.
- As such the group who apply for work visas as employees in 'business-as-usual' scenarios are in 'policy option' scenarios assumed to either also apply for work visas as employees or apply for UPE as employees. In both 'business-as-usual' and 'policy option' scenarios

[55] This assumption is the same as used in previous Ukraine scheme appraisal: Home Office (2024) HO EN 0039 'Ukraine Family Scheme closure and changes to the Home for Ukraine Scheme' - https://assets.publishing.service.gov.uk/media/65cf89f40f4eb1001aa981a7/Economic_Note__Ukraine_scheme__-_Feb_2024.pdf

[56] Home Office fiscal modelling is based on gross earnings, net figures are converted to gross based on inputting net figures into https://www.uktaxcalculators.co.uk/tax-calculators/personal-tax-calculators/reverse-tax-calculator/ to estimate gross earnings in 2024/25.

they are assumed to be in work as employees and assumed to come from the highest earnings bands (as salary thresholds apply for work visas as employees). In turn, this group experiences no change between 'business-as-usual' and 'policy option' scenarios in terms of presence in the UK, employment, or earnings. Therefore, no changes in fiscal revenue impacts are estimated for this group, and fiscal pressure only changes in terms of access to welfare, where a transition from applying for UPE to applying for a visa leads to a status with no recourse to public funds.[57]

- Those who apply for work visas as self-employed in 'business-as-usual' scenarios are similarly assumed to be self-employed in both 'business-as-usual' and 'policy option' scenarios, and in 'policy option' scenarios either apply for work visas as self-employed or apply for UPE. They are assumed to come from across the earnings distribution (after accounting for those applying for work visas as employees drawing from highest earners). As such, this group sees no change between 'business-as-usual' and 'policy option' scenarios in terms of presence in the UK, employment or earnings and therefore no change in fiscal revenue impacts are estimated for this group. Fiscal pressure only changes in terms of access to welfare, where a transition from applying for UPE to applying for a visa leads to a status with no recourse to public funds[58].
- The group who applies for study visas are assumed be out-of-work, with the simplifying assumption they are assumed to focus on full-time study in both 'business-as-usual' and 'policy option' scenarios. In the 'policy option' scenarios they either apply for study visas or apply for UPE. As such, this group sees no change between 'business-as-usual' and 'policy option' scenarios in terms of presence in the UK, employment or earnings and so no change in fiscal revenue impacts are estimated for this group, and fiscal pressure only changes in terms of access to welfare where a transition from applying for UPE to applying for a visa leads to a status with no recourse to public funds[59].
- The remainder of groups in 'business-as-usual' scenarios (apply for family visas, leaves the UK, applies for asylum / humanitarian protection) can draw from either in or out-of-work groups. Where assumed to be in work, they are considered to come from across the earnings distribution (after accounting for those applying for work visas as employees drawing from highest earners), resulting in an estimated weighted annual average earnings of around £11,000 for those in work in these groups. In 'business-as-usual' scenarios, where Ukrainians are applying for family visas or leaving the UK, in 'policy option' scenarios they are assumed to behave similarly (in also applying for family visas / leaving the UK respectively) or apply for UPE. Those claiming asylum / humanitarian protection in 'business-as-usual' scenarios are assumed to apply for UPE in 'policy option' scenarios.
- As such for those applying for UPE in 'policy option' scenarios the only groups assumed to see fiscal impacts arise through:
    - *Applies for Study/Work/Family visa – Fiscal Pressure*: All applying for UPE in 'policy option' scenarios and applying for a visa in 'business-as-usual' scenarios will be subject to no-recourse-to-public funds in 'business-as-usual' scenarios [60] and so are assumed to see an increase in fiscal pressure (at the assumed annual welfare receipt of around £2,000) when going from 'business-as-usual' to 'policy option' scenarios. Given the volumes assumed to see this impact (see dotted lines in Figures 2 to 4 below) this has a large factor in net fiscal impacts.

[57] See https://www.gov.uk/government/publications/public-funds/public-funds-accessible
[58] See https://www.gov.uk/government/publications/public-funds/public-funds-accessible
[59] See https://www.gov.uk/government/publications/public-funds/public-funds-accessible
[60] See https://www.gov.uk/government/publications/public-funds/public-funds-accessible

- *Applies for Asylum/Humanitarian Protection – Fiscal Revenue*: Those in work when applying for UPE in 'policy option' scenarios and applying for asylum/humanitarian protection in 'business-as-usual' scenarios are assumed to not be eligible to work whilst claiming asylum/humanitarian protection[61] and so are assumed to see an increase in fiscal revenue for the assumed duration of asylum/humanitarian protection claims (at the assumed annual earnings of around £11,000) when going from 'business-as-usual' to 'policy option' scenarios.
- *Applies for Asylum/Humanitarian Protection – Fiscal Pressure*: All applying for UPE in 'policy option' scenarios and applying for asylum/humanitarian protection in 'business-as-usual' scenarios will be subject to no-recourse-to-public funds whilst claiming asylum/humanitarian protection[62] and so are assumed to see an increase in fiscal pressure for the assumed duration of asylum claims (at the assumed annual welfare receipt of around £2,000) when going from 'business-as-usual' to 'policy option' scenarios.
- *Leaves the UK – Fiscal Revenue and Pressure*: All those in the UK (including children) applying for UPE in 'policy option' scenarios and leaving the UK in 'business-as-usual' scenarios will see an increase in fiscal pressure when going from 'business-as-usual' to 'policy option' scenarios from additional people being in the UK and using services, but also increased revenue from those who are in work.

63. These simplifying assumptions are needed as a lack of information from the ONS survey on characteristics and outcomes of those expressing intentions in the absence of UPE means no information to inform assumptions on who, based on current activity, can or can't achieve stated intentions in the absence of UPE. As a result, any assumption accounting for a) scales of people who would need to change behaviour/outcomes to achieve intentions, and b) their ability to do so would be purely illustrative with no evidence to base assumptions on. A decision has been made that in the absence of well evidenced data to enable that profiling, simpler uncertain analysis is preferable to more complex but still highly uncertain analysis.

64. Figures 2 to 4 below present the volumes of adults in the stock by the end of the appraisal period by activity in terms of action taken and economic activity. Between 'business-as-usual' and 'policy option' scenarios those with dotted lines see only changes in access to public funds, those with blue lines see no changes in economic activity or presence in the UK and so (unless dotted line signifies change in access to public funds) no change in fiscal impacts, while those with red lines see significant change in terms of presence in the UK or economic activity in the UK.

[61] See https://www.gov.uk/government/publications/handling-applications-for-permission-to-take-employment-instruction/permission-to-work-and-volunteering-for-asylum-seekers-accessible
[62] See https://www.gov.uk/government/publications/public-funds/public-funds-accessible

Figure 2 – Estimated stock of adults by the end of the appraisal period by economic activity and action taken in terms of status applied for / presence in the UK in low 'business-as-usual' and 'policy option' scenarios.

LOW SCENARIO: 105,000 Adults

Business-As-Usual			Policy Option		
Applies for Work visa	In Work	*50,000*	Applies for Work visa	In Work	*15,000*
			Applies for UPE	In Work	*35,000*
Applies for Study visa	Not in Work	*<5,000*	Applies for Study visa	Not in Work	*<5,000*
			Applies for UPE	Not in Work	*<5,000*
Applies for Family visa	In Work	*10,000*	Applies for Family visa	In Work	*<5,000*
			Applies for UPE	In Work	*<5,000*
Applies for Family visa	Not in Work	*10,000*	Applies for Family visa	Not in Work	*<5,000*
			Applies for UPE	Not in Work	*5,000*
Leaves the UK	NA	*15,000*	Leaves the UK	NA	*10,000*
			Applies for UPE	In Work	*<5,000*
			Applies for UPE	Not in Work	*<5,000*
Claims Asylum	Not in Work*	*20,000*	Applies for UPE	In Work	*10,000*
			Applies for UPE	Not in Work	*10,000*

* Those claiming asylum or humanitarian protection are assumed to not have access to work for the duration of a claim only.
Source: Home Office analysis as described in paragraphs 61-62.

Figure 3 – Estimated stock of adults by the end of the appraisal period by economic activity and action taken in terms of status applied for / presence in the UK in central 'business-as-usual' and 'policy option' scenarios.

CENTRAL SCENARIO: 135,000 Adults

Business-As-Usual			Policy Option		
Applies for Work visa	In Work	*60,000*	Applies for Work visa	In Work	*5,000*
			Applies for UPE	In Work	*55,000*
Applies for Study visa	Not in Work	*5,000*	Applies for Study visa	Not in Work	*<5,000*
			Applies for UPE	Not in Work	*5,000*
Applies for Family visa	In Work	*10,000*	Applies for Family visa	In Work	*<5,000*
			Applies for UPE	In Work	*10,000*
Applies for Family visa	Not in Work	*10,000*	Applies for Family visa	Not in Work	*<5,000*
			Applies for UPE	Not in Work	*10,000*
Leaves the UK	NA	*20,000*	Leaves the UK	NA	*5,000*
			Applies for UPE	In Work	*5,000*
			Applies for UPE	Not in Work	*10,000*
Claims Asylum	Not in Work*	*25,000*	Applies for UPE	In Work	*10,000*
			Applies for UPE	Not in Work	*15,000*

* Those claiming asylum or humanitarian protection are assumed to not have access to work for the duration of a claim only.
Source: Home Office analysis as described in paragraphs 61-62.

Figure 4 – Estimated stock of adults by the end of the appraisal period by economic activity and action taken in terms of status applied for / presence in the UK in high ‘business-as-usual’ and ‘policy option’ scenarios.

HIGH SCENARIO: 145,000 Adults

Business-As-Usual			**Policy Option**		
Applies for Work visa	In Work	*65,000*	Applies for UPE	In Work	*65,000*
Applies for Study visa	Not in Work	*5,000*	Applies for UPE	Not in Work	*5,000*
Applies for Family visa	In Work	*10,000*	Applies for Family visa	In Work	*10,000*
Applies for Family visa	Not in Work	*15,000*	Applies for Family visa	Not in Work	*10,000*
Leaves the UK	NA	*20,000*	Applies for UPE	In Work	*10,000*
			Applies for UPE	Not in Work	*10,000*
Claims Asylum	Not in Work*	*30,000*	Applies for UPE	In Work	*15,000*
			Applies for UPE	Not in Work	*15,000*

* Those claiming asylum or humanitarian protection are assumed to not have access to work for the duration of a claim only.
Source: Home Office analysis as described in paragraphs 61-62.

65. The simplified fiscal assumptions mean there are limitations in this analysis as set out in the ‘General Assumptions’ above that mean:

- No account for possible behavioural change that may be required to be eligible for a visa – such as increases in earnings to meet work visa earning thresholds where relevant – which could mean analysis undercounts fiscal revenue in ‘business-as-usual’ scenarios.
- There is no account for potentially not meeting eligibility requirements. If eligibility requirements are not met, people would have to change actions from intentions in terms of status applied for / presence in the UK, which could impact estimated fiscal revenue (reducing if additional people leave the UK / apply for asylum or humanitarian protection) and fiscal pressure (reducing if additional people leave the UK) in ‘business-as-usual’ scenarios.

Familiarisation Costs

66. Methods, data and calculations for this quantified impact are discussed in Section 5 of the main body of the Impact Assessment and not repeated here.

Impacts - Summary

67. Based on data, assumptions and methods as set out in this annex, the summary of impacts that are included within net present social value estimates are outlined in Table A12 below.

Table A12 - Summary of total costs and benefits, and estimated net present social value across the appraisal period, 'policy option' low, central and high scenarios compared against 'business-as-usual' low, central and high scenarios (2024/25 price base year, millions, present value across the appraisal period)

IMPACT	WHO IMPACT FALLS TO	DIRECT OR INDIRECT	TRANSITIONAL /ONGOING	LOW	CENTRAL	HIGH
<u>*Costs*</u>						
Familiarisation Costs for Immigration Advisors and Lawyers	Private Sector	Direct	Transitional	£0.1	£0.2	£0.3
Reduction in Visa Fee Revenue	Public Sector	Direct	Ongoing	£80	£110	£110
Reduction in IHS Revenue	Public Sector	Direct	Ongoing	£200	£240	£180
Increase in Fiscal Pressure	Public Sector	Indirect	Ongoing	£240	£630	£1,050
Total Costs	*Total*	*Total*	*Total*	*£520*	*£970*	*£1,340*
<u>*Benefits*</u>						
Reduction in Visa, CoS, CaS, ISC and IHS Processing Costs	Public Sector	Direct	Ongoing	£20	£30	£40
Reduction in Asylum/Humanitarian Protection Processing and Support Costs	Public Sector	Direct	Ongoing	£20	£860	£2,770
Increase in Fiscal Revenue	Public Sector	Indirect	Ongoing	£50	£180	£450
Total Benefits	*Total*	*Total*	*Total*	*£90*	*£1,080*	*£3,250*
Net Present Social Value	***Total***	***Total***	***Total***	***-£430***	***£110***	***£1,910***

Source: Home Office analysis as described in the Rounded to nearest £0.1m where under £1m, and to nearest £10m in other cases

68. The main drivers in estimated impacts are changes in estimated asylum/humanitarian protection support costs providing a benefit, and net fiscal impacts – where large populations see small assumed changes in receipt of welfare and relatively low assumed earnings for those seeing increase in work activity in the 'policy option' scenarios relative to 'business-as-usual' influence estimated fiscal impacts.

Business Impacts

69. The only net direct impact to business are the outlined transitional familiarisation costs – estimated at £0.1 million - £0.3 million across the appraisal period, with a central estimate of £0.2 million. As the appraisal period is 3 years, the Estimated Annual Net Direct Cost to Business (EANDCB) are those values divided by three years, leading to a maximum value of around £0.1 million.

70. Business net present value (BNPV) includes the familiarisation cost outlined above, plus indirect benefits in terms of reduced transfers from business to the public sector from reductions in ISC, CoS and CaS payments. These benefits are estimated at a total of £60 million - £130 million (2024/25 price base year, present value across the appraisal period, rounded to nearest £10 million) across the appraisal period, with a central estimate around £100 million (2024/25 price base year, present value across the appraisal period, rounded to nearest £10 million). Given the small nature of familiarisation costs, BNPV estimates are similarly £60 million - £130 million (2024/25 price base year, present value across the appraisal period, rounded to nearest £10 million) across the appraisal period, with a central estimate around £100 million (2024/25 price base year, present value across the appraisal period, rounded to nearest £10 million)

Public Sector Impacts

71. Public sector impacts reflect those outlined as falling to the public sector in Table A12 above plus the additional costs from loss of revenue in transfers from business to the public sector as outlined in paragraph 70 above. These sum when comparing 'policy option' to 'business-as-usual' scenarios to provide estimated net public sector present value (across the appraisal period, discounted, rounded to nearest £10 million) of a low of -£480 million a central of £1 million (rounded to nearest £1 million), and a high of £1.7 billion (rounded to nearest £0.1 billion).

Household Impacts

72. No quantified household impacts have been estimated.

Annex B – Statutatory Equalities Duties Summary

Mandatory specific impact test - Statutory Equalities Duties	Complete
Statutory Equalities Duties It is not currently considered that the introduction of the Ukraine Permission Extension scheme constitutes direct discrimination further than is already authorised by the immigration rules or separate Ministerial Authorisations. Indirect discrimination is considered in full in the EIA and is considered to be a proportionate means of achieving the policy aims. **The SRO has agreed these summary findings.**	**Yes**