EXPLANATORY MEMORANDUM TO

THE IMMIGRATION (BIOMETRIC REGISTRATION)(AMENDMENT) REGULATIONS SI 2009 DRAFT

[2009] No. [XXXX]

1. This explanatory memorandum has been prepared by the Home Office and is laid before Parliament by Command of Her Majesty.

2. Purpose of the instrument

2.1 These Regulations are made under the biometric registration provisions of the UK Borders Act 2007. They expand the incremental rollout of biometric immigration documents (also known as identity cards for foreign nationals) to include additional categories of limited leave to remain in the United Kingdom. The biometric immigration documents issued under the Regulations will take the form of cards with a chip containing the biometric data.

3. Matters of special interest to the Joint Committee on Statutory Instruments

3.1 None

4. Legislative Context

4.1 These Regulations are the third set of regulations to be made under the biometric registration provisions of the UK Borders Act 2007. They amend the Immigration (Biometric Registration) Regulations 2008.

4.2 In line with published Home Office policy statements, these Regulations build upon the Immigration (Biometric Registration) Regulations 2008 and expand the rollout of the biometric immigration document to foreign nationals subject to immigration control. Rollout of the biometric documents to all foreign nationals is being undertaken on an incremental basis.

5. Territorial Extent and Application

5.1 This instrument extends to all of the United Kingdom.

6. European Convention on Human Rights

6.1 Meg Hillier has made the following statement regarding Human Rights:

In my view the provisions of the Immigration (Biometric Registration)(Amendment) Regulations 2009 are compatible with the Convention rights.

7. Policy background

- ***What is being done and why***

7.1 These Regulations will impose a requirement to apply for a biometric immigration document to the following additional categories of limited leave under the Immigration Rules:

- As students under PBS Tier 4. This will cover students aged over 17 (General) and those aged under 17 (Child) who are applying to extend their leave to study in the UK. Tier 4 will subsume a number of the existing student categories in the Immigration

Rules. Tier 4 will be operational following changes currently being made to the Immigration Rules. These Regulations will coincide with the coming into force of those changes.

- As spouses, civil partners and unmarried or same-sex partners of a person present and settled in the United Kingdom. This category remains unchanged from the previous regulations that came into force on 25 November 2008.

- As an academic visitor who is applying to extend his leave, so that his total stay in the UK is more than six months, up to a total period of 12 months.

- As a visitor for private medical treatment, who is required to extend his stay in the UK so that he is able to complete his private medical treatment.

- As a domestic worker in a private household. This applies to overseas domestic workers who have accompanied a person entitled to live in the UK and are applying to extend their permission to stay in the country based upon their employment as domestic workers.

- On the basis of their United Kingdom ancestry. This category covers people who are commonwealth citizens, have a British grandparent, and can demonstrate a link with the UK.

- As a retired person of independent means and his or her dependants. This category is no longer open to new applicants, but where a person who is already is in the UK under this category can seek to extend their leave on the same basis. It applies to persons aged over 60 with substantial means to support themselves.

- As a sole representative. These are overseas employees recruited by an overseas company to act as their sole representative.

7.2 In addition, the Regulations will require a person in the UK who applies to replace his/her passport or other document in which there was a stamp, sticker or other attachment which indicated that he/she had been granted limited leave to enter, or remain in, the United Kingdom to apply for a biometric immigration document.

7.3 These categories were selected for this round of expansion of the biometric immigration document to enable the UK Border Agency to meet their published business delivery plans. This will allow the rollout to be managed and to continue to meet the Government objective that by 2011 all new applications for leave will include a requirement for the applicant and any dependant to be issued with a biometric immigration document.

7.4 In addition to the rollout of the biometric immigration document to new categories, the Regulations introduce other changes. This includes a requirement to surrender the card where the person proves they are a British Citizen or a Commonwealth citizen with a right of abode in the United Kingdom.

7.5 The regulations also amend the maximum life span of a card issued to sixteen and seventeen year olds from five to ten years. This is in line with the ministerial statement in Parliament, during the course of the UK Borders Bill in the House of Lords (Hansard 5 July 2007: Column GC131).

7.6 The other changes concern circumstances when a holder of a biometric immigration document fails to produce a valid passport or other travel document, such as a convention travel

document when required. This is to ensure the holder does not abuse immigration control processes and procedures.

- ***Consolidation***

7.7 These Regulations amend The Immigration (Biometric Registration) Regulations 2008, by adding additional categories required to apply for a biometric immigration document and making the other changes described above. These are the first amendments to the Immigration (Biometric Registration) Regulations 2008. If further amendments are necessary in the future, consolidation will be considered at that stage.

8. Consultation outcome

8.1 There is no statutory requirement to consult. While the UK Border Agency has not undertaken a formal consultation, the rollout strategy and policy have been discussed with internal and external stakeholders. The incremental rollout, including this phase, has also been highlighted in the March 2008 policy document; "Introducing Compulsory Identity Cards for Foreign Nationals".

9. Guidance

9.1 We will continue to liaise with our stakeholder groups including the Joint Education Taskforce, employers, overseas governments and their embassies and organisations representing foreign nationals through stakeholder events and through publications on the UK Border Agency website.

10. Impact

10.1 The impact on business, charities or voluntary bodies is expected to be minimal as these regulations affect individuals.

10.2 The impact on the public sector is expected to be small as public sector organisations, such as the police, local authorities, NHS, DWP will need to be familiar with the biometric immigration document, but will not need to obtain new equipment. The impact will largely fall to learning and awareness issues. However, we have mitigated against this by working with organisations such as ACPO providing additional guidance and through the stakeholder events.

10.3 An Impact Assessment is attached to this memorandum.

11. Regulating small business

11.1 The legislation does not apply to small businesses.

12. Monitoring & review

12.1 The UK Border Agency continues to monitor the rollout of the biometric immigration document for foreign nationals against its delivery targets and the impact of the policy. The rollout strategy, policy and delivery options will continue to be reviewed.

13. Contact

John Allen at the UK Border Agency Tel: 0208 760 3465 or e-mail: john.allen@homeoffice.gsi.gov.uk can answer any queries regarding the instrument.

Summary: Intervention & Options

Department /Agency:	Title:	
Home Office / UK Borders Agency	**Impact Assessment of Identity Cards for Foreign Nationals - PBS Tier 4 (Student), Marriage Categories and others**	
Stage: Updated	**Version: 2.14**	**Date: 28 January 2009**
Related Publications: Identity Cards Scheme Cost Report November 2008		

Available to view or download at:
http://www.ukba.homeoffice.gov.uk/

Contact for enquiries: John Allen **Telephone:** 020 8760 3465

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

Limited ability to precisely fix identities of some foreign nationals staying in the UK. Need to phase out less secure documents. The solution requires UK Border Agency (UKBA) to obtain legislation requiring foreign nationals staying in the UK and subject to control to register their biometrics. The rollout of identity cards to foreign nationals commenced on 25 November 2008 to some student categories and marriage and partnership applicants. UKBA needs to update the categories to reflect the introduction of the Points Based System for Students (Tier 4) and to increase the categories required to apply for an identity card to include those applying to transfer their conditions of leave to a new passport and other ad hoc applications that we need to enrol onto the programme.

What are the policy objectives and the intended effects?

Introduce requirement to apply for a Identity Card for Foreign Nationals fixing a foreign national's identity at the earliest point and allowing them to demonstrate reliably and securely that they are legally in the UK. This will provide a document which is easily recognised by employers and others showing entitlements. It also supports the Government commitment to introducing a single comprehensive National Identity Scheme. To tie in the rollout of identity cards with the rollout of Points Based System Tier 4 and increase the catergories required to apply for an identity card. Over 2009/10, the volume of cards will grow significantly as they are rolled out to more migrants.

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

Do nothing - Not recommended as we would only be able to issue identity cards to small groups of foreign nationals, which may mean the UK is unable to fully comply with EU regulations

Partially Implement EU Minimum - issue a card where required by EU regulations but do not issue it where this is not required by the regulations.

Fully Implement - Continue to issue a high quality secure document to those legally here, easily recognisable by employers and others on an incremental risk led roll out selected on basis of de-risking project.

When will the policy be reviewed to establish the actual costs and benefits and the achievement of the desired effects?

The policy will be continually reviewed for benefits realisation as part of the Office of Government Commerce Gateway Process, approximately a year after the policy is introduced.

Ministerial Sign-off For final proposal/implementation stage Impact Assessments:

I have read the Impact Assessment and I am satisfied that (a) it represents a fair and reasonable view of the expected costs, benefits and impact of the policy, and (b) the benefits justify the costs.

Signed by the responsible Minister:

Meg Hillier

.....Date: 4th February 2009

Summary: Analysis & Evidence

Policy Option: Full implementation	Description: Implementation of identity cards for in-country students and marriage applicants (biometric residence permits)

COSTS

ANNUAL COSTS	
One-off (Transition)	**Yrs**
£ 6.6 m	4
Average Annual Cost (excluding one-off)	
£ 4.8m (10 yrs)	

Description and scale of **key monetised costs** by 'main affected groups' The proportion of start up costs for students, marriage and the transfer of conditions and ad-hoc cases are as follows. One off costs include setup IT, programme and property costs (all UKBA). Average annual costs include card costs and IT costs (UKBA) and social costs to migrants (cost of travel time).

Total Cost (PV) **£ 54.6m**

Other **key non-monetised costs** by 'main affected groups' None

BENEFITS

ANNUAL BENEFITS	
One-off	**Yrs**
£ 0	
Average Annual Benefit (excluding one-off)	
£ 4.1m (10 years)	

Description and scale of **key monetised benefits** by 'main affected groups'

10 year benefits - Reduction in benefit fraud (UK plc), crime reduction (UK plc), reduction in fraudulent appeals (UKBA), less removals due to travel deterrent (UKBA). Total £41.4m

Total Benefit (PV) **£ 41.4m**

Other **key non-monetised benefits** by 'main affected groups' Alignment with National Identity Scheme, Attract migrants by ensuring a secure identity, Utility to card holder - easier to deal with government, easier to travel to the UK, easier employer or education sponsor checks. Deter illegal entry to UK. Align with EU

Key Assumptions/Sensitivities/Risks The power to record biometrics and issue identity cards will be ramped up in 2009 guided by two principles; risk and efficiency. Costs and benefits included here are for students, marriage related categories, Transfer of Conditions and other categories. At this point there is no compulsory card reading in place.

Price Base Year 0	Time Period Years 10	**Net Benefit Range** (NPV) **£**	**NET BENEFIT** (NPV Best estimate) **£ -13.2m**

What is the geographic coverage of the policy/option?			National	
On what date will the policy be implemented?			30 March 2009	
Which organisation(s) will enforce the policy?			UK Border Agency	
What is the total annual cost of enforcement for these organisations?			£	
Does enforcement comply with Hampton principles?			Yes	
Will implementation go beyond minimum EU requirements?			Yes	
What is the value of the proposed offsetting measure per year?			£ Nil	
What is the value of changes in greenhouse gas emissions?			£ Nil	
Will the proposal have a significant impact on competition?			No	
Annual cost (£-£) per organisation (excluding one-off)	Micro **None**	Small **None**	Medium **None**	Large **None**
Are any of these organisations exempt?	No	No	N/A	N/A

Impact on Admin Burdens Baseline (2005 Prices) (Increase - Decrease)

Increase of £ 0 Decrease of £ 0 **Net Impact** **£** 0

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

Background

Foreign nationals come to the United Kingdom for a wide range of reasons such as to study or work. Using advances in biometric technology, we can reinforce our business processes and cut illegal working, protect legal migrants, and identify those trying to evade our rules and laws. This will help strengthen border security and lay the foundation for the wider National Identity Scheme. By recording a person's biometric features including fingerprints and facial images, we can now fix a person to a single identity making it simpler to check whether someone is who they say they are. The identity card for foreign nationals will make provide reassurance and identity protection to the many here legally.

Under the UK Borders Act 2007, the Secretary of State was given powers to make regulations which require foreign nationals, subject to immigration control, to apply for an identity card incorporating important biometric data (known as a 'Biometric Immigration Document' (BID) in the Act). Registration of biometric identifiers (for example, facial image and fingerprint features) for verification purposes will be an important part of this process. This impact assessment supports regulations that widen the categories required to apply for identity cards.

Rationale

The biometric registration requirements are part of the Government's commitment to strengthen immigration controls and reduce identity theft and abuse. By requiring foreign nationals subject to immigration control to apply for the identity card for foreign nationals, (referred in the UK Borders Act 2007 as a Biometric Immigration Document), and register their unique biometric identifiers and biographical information, the UK Border Agency (UKBA) can now tie a person to a single identity. UKBA will issue a secure biometric identity card for foreign nationals who are subject to immigration control. It will confirm their identity, immigration status and conditions of stay in the UK, thereby securely linking that person to a single identity.

Fixing a person to a single identity prevents fraudulent applications in multiple or different identities. The enrolment programme which occurred from 28 April to date, proved the technology works. UKBA proved it was able to match fingerprints and in doing so identified several applicants who had made fraudulent applications using different identities.

Objectives:

I) Aligning with the National Identity Scheme

The Government was elected on a manifesto commitment to introduce identity cards. The Identity and Passport Service has responsibility for delivering the Government's aim of introducing a National Identity Scheme, which will establish a National Identity Register. The Identity Cards Act 2006 received Royal Assent on 30th March 2006. The document 'National Identity Scheme Delivery Plan 2008 explains how the scheme will be implemented. http://www.ips.gov.uk/identity/downloads/ConsultReportv2.pdf

The issuing of identity cards for foreign nationals from 2008 forms an integral part of the National Identity Scheme, ensuring that eventually all UK residents will have some form of recorded biometrics linked to their identity, providing significant benefits in terms of reduced identity fraud, immigration offences and abuse of public funds. Once the National Identity Register is fully operational it is the Government's intention that the identity card for foreign

nationals will be designated as a document under section 4 of the Identity Cards Act 2006, as soon as it is practical.

II) Complying with EU Regulations

In June 2002, Council Regulation (EC) 1030/2002 laid down a uniform format for residence permits for third-country nationals. This set out the format and security features for residence permits, to be issued as a vignette sticker in a passport or as a card. These regulations were amended on 18 April 2008, by Council Regulation (EC) No 380/2008 and introduced a time-frame of 2 – 3 years from the agreement of technical standards to implement the regulation phasing-out of residence permits in the form of vignette stickers, requiring instead that residence permits are only issued as cards containing certain biometric information.

These amending biometric regulations are designed to ramp up the rollout of identity cards to foreign nationals in accordance with UKBA business plans, based on existing and new category types which match up to UKBA enrolment capability. This is to enable the Government meet its obligations.

III) Expanding Coverage

The current 2008 Biometric Registration regulations enables UKBA to require those applying to extend their leave in certain student categories and through marriage or partnership applications apply for an identity card and enrol their biometric features, which includes a facial image and ten fingerprints.

The amending Biometric Registration regulations seeks to continue and expand the rollout by keeping the existing marriage and partnership applications, updating the student categories to align with Tier 4 of the Points Based System (PBS) that covers students, and add other categories not planned to be included in the PBS. In addition, UKBA has also included those who have limited leave and need to transfer their conditions into a new document.

The categories that the new regulations will cover are:

- Tier 4 - as a General Student –(Replacing existing student categories);
- Tier 4 - as a student (Child);
- Spouses and Civil Partners;
- Unmarried and same-sex partners under the Immigration Rules;
- Transferring of Conditions;
- Academic visitors extending leave beyond 6 months;
- Visitor undergoing private medical treatment;
- Domestic worker in a private household;
- Person with United Kingdom ancestry;
- Retired persons of independent means; and
- Sole representatives.

The wider UKBA business has agreed to the new categories in the regulations which largely reflect the rollout strategy published in “Introducing Identity Cards for Foreign Nationals” in March 2008. However, UKBA has made some small changes to align with business delivery plans. These changes are reflected in the categories selected as they will enable the rollout to expand in manageable means and continues to support the Government objective of ensuring that by 2011 all new applications for leave will include a requirement for the applicant and any dependant to register their biometrics and if their application is successful be issued with an identity card.

Appraisal

Options considered

The Government considered three options on delivering its commitment to issuing identity cards to foreign nationals who are subject to immigration control. These were:

- Do nothing - not possible because we have already started to rollout identity cards to foreign nationals, which we need to undertake as part of our requirements to comply with EU regulations. Stopping or continuing on the existing regulations would result in confusion with some applicants being issued with cards and others vignettes. In any event, all new applicants will, in time, require a card to ensure the UK complies with the EU Regulations.

- Partially Implement (EU Minimum) - This was also considered in the previous impact assessment and our opinion has not changed. The table on page 13 illustrated the costs and benefits of this option which are included for comparative purposes. This option assumes we issue a card where EU regulations require it, but do not issue it where not required by the EU regulations e.g. if the person already has leave to enter or remain. Do not re-verify people's biometrics if already on database, or those transferring conditions or holding a no time limit stamp. Additionally under this EU option, UKBA would start with only facial biometrics (photo) and widen the scope to include fingerprints in line with the EU deadline (thus missing out on at 1-2 years worth of enrolling and checking fingerprints). This was discounted as all groups of foreign nationals subject to control in the UK are required to be included in the national identity scheme. Therefore, those transferring conditions or with a no time limit stamp need to be included. Without including these groups, and eventually the whole settled population, there would be gaps in the scheme, and potential abuse of the system. The option to enrol, check and re-check migrants' fingerprints even if they have already had their biometrics recorded, for example as part of a visa application, is also necessary to reduce abuse of the system. This adds significant additional non-monetised benefits in the area of reduction of fraud, crime and illegal working. Some of the additional non-monetised benefits would not be realised fully, with the delay of including fingerprint biometrics from day one.

- Fully Implement - Issue a high quality secure document to those legally here, easily recognisable by employers and others. Delivery approach choices considered big bang or incremental roll-out. Incremental risk led roll out selected on basis of de-risking project. This approach has been adopted on a "secure and manageable" basis. This option represents the best balance of benefits, usage and costs that also delivers on Government commitments. It ensures we will be compliant with EU policy but does not add unnecessary 'gold plating'. It builds directly on the work already in progress and remains in line with the current indications regarding the National Identity Scheme Review. This option reduces project implementation risks (and costs) by rolling out on a less steep curve and having fewer enrolment centres and enables UKBA, the customer, employers and other government departments to utilise the enabling technology, biometric records being collected and cards being issued. This option also enables UKBA to enhance security through checks against criminal and counter terrorism records and dispatch of the cards through a secure delivery service.

The preferred option is to fully implement the policy (option 3). In proceeding, UKBA has considered the impact of the policy and the costs and benefits of implementing the scheme.

Impacts of Policy

Employers

The increasing numbers of cards will mean that the document becomes more easily recognisable as employers start to see them more frequently. This should mean that employers are more comfortable undertaking appropriate checks when they recruit people and are able to satisfy themselves that the documents presented to them are valid and relate to the applicant. The holder of an identity card for foreign nationals is required to produce the card to a potential employer showing their entitlement to work and at other specified times, for example on the anniversary of their employment, to show that they remain entitled to work. This is to simplify the checks the employer needs to make to obtain a statutory excuse against a civil penalty notice issued by UKBA where the employer is found to be employing an illegal migrant.

Where employers are provided with an Identity Card for Foreign Nationals, providing they make the appropriate checks, e.g. checking the facial image against the bearer etc; they do not need to check any other document. The card is designed to ease the burden on the employer in that the card is secure document and does not need to be produced in conjunction with other documents.

UKBA has published guidance on its website about checking the validity of the identity cards to ensure business and other key stakeholders are familiar with its design and recognise the card when it is presented to them. In addition, an Employers Verification Service phone line can be used by organisations if they have concerns over the validity of the card.

The numbers of cards in circulation will increase and become the common “currency” replacing existing immigration documents. Employers and those needing to use the card will become familiar with the look and feel of a real card. Over time, there will be a number of ways of authenticating and verifying identity, depending on the importance of the check ranging from visual check to a biometric check.

Properly checking the card and recording the information contained on the card will provide an employer with a statutory excuse against a civil penalty notice, if they are found to be employing someone not entitled to work in the UK.

Educational establishments

The identity card will form an intrinsic part of the Tier 4 (Student) of the Points Based System (PBS), which is why we intend these regulations to commence on 30 March 2009, when PBS Tier 4 commences. The card will link the holder to their registered college or educational establishment. This will increase the likelihood that those coming to the UK to study will genuinely intend meeting their educational obligations. Colleges and educational establishments will find they have increased certainty that the students turning up are the students who made the applications to study.

Applicants

Under the identity card for foreign national scheme, applicants are required to apply for the card and attend a biometric enrolment appointment as part of their application for further leave. Many already attend in person at a UKBA public enquiry office – for these people the biometric element will add less than half an hour to their visit. For those who normally apply by post a biometric enrolment appointment will need to be made and attended at a public caller facility before leave is granted. Appointments only last up to 30 minutes and the process is quick and easy. UKBA have already rolled out fingerprint visas at overseas posts so this process will be familiar to many. Public caller facilities are available to postal applicants across the country, in Armagh, Cardiff, Croydon, Glasgow, Liverpool, Sheffield and Solihull. As UKBA rolls out more identity cards it intends to make more enrolment facilities available across the UK. Applicants

who previously applied by post now have to travel to attend the appointments but their application continue to be considered in line with existing processes.

Although the requirement for a relevant person to apply for a card is mandatory, there is some flexibility around the timing and location of the appointment led by the applicant's preferences. Family groups can be accommodated together. The enrolment process is quick and clean, there is no wet ink involved, and the enrolling officer does not need to touch the applicant to facilitate the enrolment. Photographs are taken which reveal the face but the process of taking the photograph will reflect cultural sensitivities. Special arrangements may be made for those who require them by virtue of disability or illness.

As more identity cards are rolled out, holders will start to find accessing employment and other entitlements will become more straightforward as employers and public bodies become more familiar with the identity card.

Children

Children are required to apply with the requirement to apply for an identity card for foreign nationals. Children up to the age of six years will provide their biometrics with a digitalised photograph. Those aged over six years will, in addition, enrol their fingerprints. All children up to the age of 16 must be accompanied through the enrolment process by an adult who takes responsibility for them on that occasion. We will not enrol the biometrics of children under 16 except in the presence of an adult who is the child's parent or guardian; or a person who has taken responsibility for the child (but this cannot be a person acting on behalf of the UK Border Agency).

Costs and Benefits

Overall approach to costs

In this impact assessment we have included the proportion of the costs and benefits that are relevant for the groups which are the subject of the regulations to be laid in Parliament. This process will be repeated when new groups are introduced into the scheme as further regulations are made and a new impact assessment is published. These costs are part of the wider costs of introducing the initial phase of identity cards for foreign nationals which are shown in the table below (the costs have been scrutinised by Parliament's EU Scrutiny Committee as part of its review of the introduction of biometric residence permits which are a subset of identity cards for foreign nationals).
For clarity the full cost estimates of rolling out identity cards over 10 years to those foreign nationals extending their stay in the UK are as follows. As with any estimates these are likely to change over time as more information becomes available. Subsequent impact assessments will include any updates to costs as these become available.

	Full Implementation Option
Total one-off costs over 5 years	£22.3m
Total running costs over 10 years	£161.1m
Average Annual cost (Excluding one-off)	£16.1m
Total Cost (PV) over 10 years	£183.3m
Average annual benefit	£13.9m
Total Benefit (PV) over 10 years	£139m
Net Cost/benefit (NPV) over 10 years	£44.4m (cost)

Whilst we are not able to include a breakdown of full costs for commercial reasons, the main cost headings are IT, accommodation, staff and card services.

These costs have changed slightly since the last Impact Assessment. As UKBA receives more accurate cost information from suppliers and learns lessons from implementing the pilot we

have been able to amend our estimates accordingly. Work on additional benefits quantification is ongoing as the wider National Identity Scheme develops. We expect the NPV of this policy initiative to improve as more benefits are quantified.

Further Impact Assessments will be prepared when regulations are laid to include those groups in the Scheme.

Benefits

The benefits for identity cards for foreign nationals fall into those that are quantifiable and those that are not quantifiable. Further discussion on the non-monetised benefits and the extent to which they will arise under the different options are at Annex A. The non-monetised benefits for the full implementation option far outweigh those for the partial implementation and as a result that is the options that will be implemented.

The quantified benefits (a proportion of which are realised from rolling out cards to students and spouse/marriage cases, transfer of conditions and the ad-hoc 'other' categories) are described below. The methodologies used in quantifying these benefits have been developed based on existing research and statistics and, where appropriate, assumptions regarding future behaviours.

- **Reduction in immigration related benefit fraud –** Publicity surrounding the introduction of identity cards for foreign nationals will make it clear that life in the UK for an illegal migrant will be increasingly difficult without a card. This deterrent effect will reduce the amount of benefit fraud. This will be a benefit to the wider UK economy and other government departments who are able to crack down on abuse as a result of checking more secure documents.

- **Identity cards for foreign nationals will deter some illegal immigrants from entering the UK and will therefore reduce crime** – The introduction of identity cards will make it clear that life in the UK for an illegal migrant will be increasingly difficult without a card. Some of those seeking to abuse the system will therefore decide not to come and this will reduce crime.

- **Reduction in fraudulent appeals** - every year there a number of people appeal against the outcome of family visitor visa applications, and a proportion of these appeals are fraudulent, for example, providing and using biometric data to identify people who are making multiple visitor visa applications in country with a view to selling visas on the black market. Identity cards will lock down identities and therefore help identify and deter fraudulent appeals. We have analysed the cost of dealing with these appeals and how much can be saved through the introduction of identity cards for foreign nationals. Benefit to UKBA.

- **Less removals due to travel deterrent** - Publicity surrounding the introduction of identity cards will make it clear that life in the UK for an illegal migrant will be increasingly difficult without a card. As a result fewer illegal immigrants will come to the UK and therefore there will be a reduction in the costs as these people will not need to be detained and removed. Benefit UKBA.

Non-monetised benefits can be summarised as follows. Annex A demonstrates how each option rates against each benefit:

- **Alignment with National Identity Scheme** - In order to achieve the full benefit of the wider National Identity Scheme, it is necessary to implement biometrics across the whole spectrum of people living in the UK. This will be a benefit to the wider UK economy.

- **Increased volume of biometric records** - It is intended that the additional information that will be provided by recording of biometric data for foreign nationals could be made available to other bodies, such as the police within the limits of legislation. The information will contribute to the strengthening of border controls and help reduce crime.

- **Increase confidence in immigration system** - The UK's immigration system has been the focus of much media scrutiny in recent years. 2008 sees the Government implement the biggest ever set shake-up in border security and immigration. The introduction of identity cards for foreign nationals is a key part of this and will build public confidence as the cards reducing the harm that accrues from illegal migration. Checking against police fingerprint records plays an important part in increasing confidence.

- **De-risk National Identity Scheme** –The rollout of identity cards for foreign nationals as the first stage of the wider scheme means we will learn lessons for the main identity scheme.

- **Attract migrants by ensuring a secure identity** – research evidence suggests that those living here legally and playing by the rules can sometimes have concerns regarding the security of their identity and their ability to prove their identity and entitlements. The identity card will provide this security and an easier way to prove who you are and what you are entitled to. The new cards will be made of a polycarbonate which contains a highly secure embedded chip and incorporates sophisticated security safeguards to combat tampering. This means that the identity cards for foreign nationals will be more resistant to attack than the existing residence permits and other UK immigration status documents. As the identity cards for foreign nationals will confirm both a person's immigration status and entitlement to work and/or public funds in the UK, we will, for the first time, be able to securely link a person to a single identity. This measure should provide reassurance and protection for legal migrants. Benefit to migrants and to the wider UK economy.

- **Identify multiple identity applications** - Biometric data is tied to one unique identity so checks undertaken when a person applies for a residence permit will automatically identify individuals who have previously had their biometrics recorded (either in-country or out-of-country) and who are now claiming to be someone else. Benefit to the wider UK economy.

- **Detect other immigration offences** – If a cardholder who has overstayed their leave and presents a card at the border, it will trigger an enforcement action that we can then deal with. This will be a benefit to the wider UK economy.

- **Align with EU partners** - Using a common standard for design of the card will allow the UK to introduce systems which are interoperable with those in place across the EU. The card will also be interoperable with other international standards and systems. Benefit to UK plc and EU.

- **Make life easier for the card holder** – migrants here legally who are issued with a card will, over time, find it easier to deal with government and to travel as they have a secure document showing their entitlements - by phasing out the wide range of old style documents it makes it easier for those checking the card to deal with migrants quickly and confidently. Benefit to migrants.

- **Easier employer or education sponsor checks.** The phasing out the whole range of old style insecure documents will make it easier for employers and educational establishments to check entitlements. This will be a benefit to the wider UK economy.

- **Secure documents** – The card is designed in such a way that it is inherently more secure than the old style paper based immigration documents. The secure card design is supported by more secure issuing processes and the verification of biometric data, as well as the ability

to ‘lock’ a person’s identity to that biometric data. This will be a benefit to the wider UK economy.

- **Identity cards for foreign nationals will deter illegal immigrants from entering the UK and will reduce illegal working and increase tax revenues.** As a result businesses will be more likely to use legal workers and this could lead to increased tax revenue. Where it is not replaced there will still be benefits from reducing illegal working in the UK. This will be a benefit to the wider UK economy.

Additional Non- monetised benefits:

Additional non-monetised benefits that have been identified since the previous impact assessment following the rollout include:

- **Additional criminal and counter terrorism record checks –** The additional steps introduced to enable all applicants’ biometrics to be checked against criminal and counter terrorism records. In addition, the biometrics registered from foreign nationals can be checked against scene of crime fingerprint records.

- **Secure Delivery** of Cards will reduce the number of cards lost in the post and so will produce an operational saving from avoiding the cost of issuing replacements. It will also help maintain the integrity of the overall system, by reducing the number of genuine cards that may be used fraudulently.

- **Provides support to disabled applicants unable to attend an enrolment facility.** A portable enrolment service will be used to meet the needs of those who are physically incapable of their leaving their home or a communal establishment such as a care home or hospital.

Summary: Analysis & Evidence

Policy Option: Partial implementation (EU MINIMUM)	Description: Issue a card in line with EU regulations but with no additional identity verification THIS OPTION HAS NOT BEEN TAKEN FORWARD.

COSTS

ANNUAL COSTS		Description and scale of **key monetised costs** by 'main affected groups' The proportion of start up costs for students and marriage cases are as follows.One off costs include setup IT, programme and property costs (all UKBA). Average annual costs include card costs and IT costs (UKBA) and social costs to migrants (cost of travel time)
One-off (Transition)	**Yrs**	
£ 6.6m	5	
Average Annual Cost (excluding one-off)		
£ 3.3m	10	**Total Cost** (PV) **£ 39.6m**

Other **key non-monetised costs** by 'main affected groups'
None

BENEFITS

ANNUAL BENEFITS		Description and scale of **key monetised benefits** by 'main affected groups' 10 year benefits Reduction in benefit fraud (UK plc), crime reduction (UK plc), reduction in fraudulent appeals (UKBA), less removals due to travel deterrent (UKBA). Total £41.4m
One-off	**Yrs**	
£ 0		
Average Annual Benefit (excluding one-off)		
£ 4.1m		**Total Benefit** (PV) **£ 41.4m**

Other **key non-monetised benefits** by 'main affected groups' Alignment with National Identity Scheme, Attract migrants by ensuring a secure identity, Utility to card holder - easier to deal with government, easier to travel, Easier employer or education sponsor checks.

Key Assumptions/Sensitivities/Risks The power to record biometrics and issue identity cards will be introduced on a rolling basis from 2008 guided byrisk and efficiency. Costs and benefits included here are only for students and those applying under marriage related categories. At this point there is no compulsory card reading in place. No verification leads to increased risk of immigration crime.

Price Base Year 0	Time Period Years 10	**Net Benefit Range** (NPV) £	**NET BENEFIT** (NPV Best estimate) £ **1.8m**

What is the geographic coverage of the policy/option?				National	
On what date will the policy be implemented?				30 March 2009	
Which organisation(s) will enforce the policy?				UKBA	
What is the total annual cost of enforcement for these organisations?				£	
Does enforcement comply with Hampton principles?				Yes	
Will implementation go beyond minimum EU requirements?				No	
What is the value of the proposed offsetting measure per year?				£ nil	
What is the value of changes in greenhouse gas emissions?				£ nil	
Will the proposal have a significant impact on competition?				No	
Annual cost (£-£) per organisation (excluding one-off)	Micro **0**	Small **0**	Medium **0**	Large **0**	
Are any of these organisations exempt?	No	No	N/A	N/A	

Impact on Admin Burdens Baseline (2005 Prices) (Increase - Decrease)

Increase of £ 0 Decrease of £ 0 **Net Impact** **£** 0

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

Specific Impact Tests: Checklist

Use the table below to demonstrate how broadly you have considered the potential impacts of your policy options.

Ensure that the results of any tests that impact on the cost-benefit analysis are contained within the main evidence base; other results may be annexed.

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

Annexes

Annex A – Summary table and comparison of Non Monetised

Benefit description	Partial Implementation – EU Minimum	Full implementation	Rationale
	Assessment of ability of option to deliver benefit		
Align with National Identity Scheme	mid	Full	Coverage is fuller with preferred option (as more groups of migrant are included) resulting in better alignment with NIS
Increase volume of biometric records	mid	high	Coverage is fuller with preferred option so there will be an increased number of records on database for future checking.
Increase confidence in immigration system	low	high	The preferred option includes face to face verification and ongoing fingerprint checks if the migrant makes a subsequent application therefore building confidence in UKBA decision making.
De-risk National Identity Scheme	low	Full	The preferred option allows increased opportunity to test technologies in required timescales (eg fingerprint enrolment sooner) and learn lessons in time to influence wider roll out.
Attract migrants by ensuring a secure identity	low	high	Because the biometric element is delivered sooner by the preferred option and that applicants are verified face to face even if they have been seen before, migrants will feel more secure that cards will only be issued to legitimate migrants who have been fully verified.
Identify multiple identity applications	low	Full	The additional verification checks under the preferred option reduce the opportunity for multiple identity application.
Detect other immigration offences	low	Full	The additional coverage of the preferred option and earlier inclusion of fingerprint enrolment will increase detection of other immigration offences.
Align with EU partners	full	Full	Both options align with the EU legislation.
Make life easier for card holder - quicker to deal with government	mid	Full	The preferred option will allow an increased number of people to quickly demonstrate their identity and entitlements.
Make life easier for card holder - less hassle travelling (leisure)	full	Full	Both options allow the holder to easily demonstrate their entitlement

Benefit description	Partial Implementation – EU Minimum	Full implementation	Rationale
			to travel freely in the UK
Make life easier for card holder - less hassle travelling (business)	full	Full	Both options allow the holder to easily demonstrate their entitlement to travel freely in the UK
Easier employer checks	high	Full	The preferred option generates higher volumes of migrants with cards for employers to easily check.
Secure documents	high	Full	The preferred option introduces fingerprint technology sooner, thus making the cards more secure.
Reduce illegal working and increase tax revenues	high	Full	The greater deterrent effect associated with the preferred option will result in a greater reduction in illegal working.
Additional criminal and counter terrorism record checks	none	Full	These checks are only included in the full implementation option and are for all applicants.
Secure delivery	None	Full	Secure delivery is only included in the full implementation option is for all applicants
Provides support to disabled applicants unable to attend an enrolment facility	None	Full	This benefit is only available for the full option.

COUNT OF CONTRIBUTIONS TO QUALITATIVE BENEFITS			
full	3	14	
high	3	3	
mid	3	0	
low	5	0	
SUMMARY ASSESSMENT	**LOW**	**HIGH**	