EXPLANATORY MEMORANDUM TO

THE IMMIGRATION (HEALTH CHARGE) (AMENDMENT) ORDER 2016

2016 No. [XXXX]

1. Introduction

1.1 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 This Order amends the Immigration (Health Charge) Order 2015 ("the Principal Order") to reduce the immigration health charge payable by Youth Mobility Scheme visa applicants from £200 to £150 and to remove the exemption from the immigration health charge available to nationals of Australia and New Zealand. There is also a minor amendment to the exemption relating to visitor applicants to update the reference to the relevant part of the immigration rules. It is intended that these changes will take effect from 6 April 2016.

3. Matters of special interest to Parliament

Matters of special interest to the Joint Committee on Statutory Instruments

3.1 None.

Other matters of interest to the House of Commons

3.2 Disregarding minor or consequential changes, the territorial application of this instrument includes Scotland and Northern Ireland.

4. Legislative Context

4.1 This Order will be made under sections 38 and 74(8) of the Immigration Act 2014, which provide the Secretary of State with a power, by order, to require certain migrants to pay an immigration health charge. It amends the Principal Order.

5. Extent and Territorial Application

5.1 The extent of this instrument is the United Kingdom.

5.2 The territorial application of this instrument is the United Kingdom.

6. European Convention on Human Rights

6.1 The Immigration Minister, James Brokenshire MP, has made the following statement regarding Human Rights:

"In my view the provisions of the Immigration (Health Charge) (Amendment) Order 2016 are compatible with the Convention rights."

7. Policy background

What is being done and why

7.1 Section 38 of the Immigration Act 2014 ("the Act") enables the Secretary of State by order to provide for an immigration health charge to be imposed on those applying for leave to enter or remain in the UK for a limited period. The immigration health charge was introduced on 6 April 2015 by the Principal Order.

7.2 The immigration health charge of £200 (£150 for students) annually is payable by non EEA nationals who enter the UK for more than six months in a temporary capacity or who apply to extend their stay in the UK subject to certain exemptions listed in Schedule 2 to the Principal Order. Those who pay the immigration health charge can access NHS services free of charge subject to those charges UK residents must pay, such as for prescriptions and dental treatment in England.

7.3 Nationals from Australia or New Zealand were exempted from paying the immigration health charge, pending further consideration of reciprocal health care arrangements between our countries. During subsequent discussions with the Australian and New Zealand Governments, it was agreed that the immigration health charge should apply to nationals of these two countries, to bring them in line with other non-European Economic Area nationals, from April 2016.

7.4 During these discussions, it was also agreed to reduce the rate of the immigration health charge from £200 to £150 (in line with the student discounted rate) annually for Youth Mobility Scheme visa applicants. The Tier 5 Youth Mobility Scheme is a cultural exchange programme which allows young people aged 18 to 30 from participating countries and territories to experience life in the UK for up to two years. They can work and study during this time and individuals can only participate in the scheme once.

7.5 The concession to the Youth Mobility Scheme rate was agreed recognising that whilst in global terms this visa category represents a small proportion of total visa applications, it is the category used by the majority of nationals of Australia and New Zealand entering the United Kingdom for more than six months. This reduction to the immigration health charge for the Youth Mobility Scheme visa category will apply to all nationalities eligible to enter the UK on this basis.

7.6 This Order will enable the immigration health charge to be levied against nationals of Australia or New Zealand from April 2016 and reduce the amount for Youth Mobility Scheme visa applicants in line with the discounted student rate of £150 annually.

7.7 This Order also amends the cross reference in the exemption relating to visitor applicants to bring this up to date with changes made to the immigration rules in respect of this category of applicants.

8. Consultation outcome

8.1 There was no public consultation on these changes.

9. Guidance

9.1 Guidance on gov.uk will be amended in line with these changes.

10. Impact

10.1 The impact on business, charities or voluntary bodies is set out in the Impact Assessment published alongside this memorandum.

10.2 The impact on the public sector is set out in the Impact Assessment published alongside this memorandum.

10.3 An Impact Assessment is submitted with this memorandum and will be published alongside the Explanatory Memorandum on the legislation.gov.uk website.

11. Regulating small business

11.1 The legislation does not apply to activities that are undertaken by small businesses.

12. Monitoring & review

12.1 Parliament will receive an assessment of income generated by the immigration health charge after the first year of operation.

13. Contact

13.1 Pommy Tumber at the Home Office Telephone: 020 7035 6914 or email: pommy.tumber@homeoffice.gsi.gov.uk can answer any queries regarding the instrument.