

Summary: Intervention & Options

Department /Agency: Home Office / UK Borders Agency	Title: Impact Assessment of Identity Cards for Foreign Nationals - Student and Marriage Categories	
Stage: Initial	Version: 1.6	Date: 28 May 2008
Related Publications: Introducing Compulsory Identity Cards for Foreign Nationals ; Consultation on the Code of Practice.		

Available to view or download at:

<http://www.>

Contact for enquiries: Wendy DuChesne

Telephone: 0208 760 3253

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 comply with EU Regulation, ensuring adequate safeguards for individuals in domestic legislation. Need to phase out insecure documents. The solution requires UKBA to obtain legislation requiring foreign nationals staying in the UK and subject to control to register their biometrics. This will be the way we comply with EU Regulation which require that residence permits issued by member states to third country nationals shall be drawn up in a uniform format and contain biometric identifiers.

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. These regulations start with some student and marriage/spouse categories. 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 cover everyone legally resident in the UK and to establish a National Identity Register.

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

Do nothing - not possible because measures are required to 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 - 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.

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

The policy will be 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:

.....Date:

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		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	
	£ 4.5m	5	
	Average Annual Cost (excluding one-off)		
	£ 3.58m (10 yrs)	Total Cost (PV)	£ 40.3m
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 £29.8m
	One-off	Yrs	
	£ 0		
	Average Annual Benefit (excluding one-off)		
	£ 2.98m (10 years)	Total Benefit (PV)	£ 29.8m
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. Deter illegal entry to UK. Align with EU			

Key Assumptions/Sensitivities/Risks The power to record biometrics and issue identity cards will be introduced on a rolling basis from 2008 guided by two principles; risk 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.

Price Base Year 0	Time Period Years 10	Net Benefit Range (NPV) £	NET BENEFIT (NPV Best estimate) £ -10.5m (cost)
----------------------	-------------------------	-------------------------------------	---

What is the geographic coverage of the policy/option?	National			
On what date will the policy be implemented?	25 November 2008			
Which organisation(s) will enforce the policy?	UK Border Agency			
What is the total annual cost of enforcement for these organisations?	£ 2.3m			
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

Evidence Base (for summary sheets)

[Use this space (with a recommended maximum of 30 pages) to set out the evidence, analysis and detailed narrative from which you have generated your policy options or proposal. Ensure that the information is organised in such a way as to explain clearly the summary information on the preceding pages of this form.]

1 - Introduction

The UK Border Agency obtained new powers in the *UK Borders Act 2007* to enable the Secretary of State to make regulations which will require foreign nationals, subject to immigration control, to apply for an identity card for foreign nationals (known as a 'Biometric Immigration Document' (BID) in the Act) and register their biometric identifiers (for example, facial image and fingerprint identifiers) for verification purposes. Collecting biometric identifiers and biographical information is important for three reasons, it:

1. Aligns with the Government's plans for the [National Identity Scheme](#)
2. Complies with EU Regulation [1030/2002](#) as amended by [380/2008](#) regarding format of residence permits
3. [Secures the border](#)

2 - Strategic Context

Aligning with the National Identity Scheme

The Government was elected on a manifesto commitment to introduce identity cards under the Identity Cards Act 2006 and the UK Borders Act 2007. 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 Government's 'National Identity Scheme Delivery Plan 2008' published in March 2008, reaffirmed the Government's commitment to introduce a single comprehensive National Identity Scheme to deliver a universal and simple proof of identity for all those who are legally entitled to live and work in the UK.

The issuing of identity cards for foreign nationals from 2008 under the UK Borders Act 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. The roll out strategy for foreign nationals was also published in March 2008.

It is the Government's intention that the identity card for foreign nationals will be designated as an ID Card under section 4 of the *Identity Cards Act 2006*, as soon as it is practical. The National Identity Register will be ready for operation during 2009, with large volumes of registration occurring in 2011/12. Once the identity card for foreign nationals is designated, the card issued to the individual will serve as both an identity card for foreign nationals (i.e. a Biometric Immigration Document) and as an ID Card (with the holders' biometric and biographical details held on the National Identity Register alongside checks on British citizens issued with Identity Cards). However, a designation order (secondary legislation under the *Identity Cards Act* and subject to the affirmative order procedure, i.e. with approval of both Houses of Parliament) will first be required.

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.

In November 2003 the EU Council agreed to amend the Regulations relating to the uniform format for visas (1683/95) and residence permits for third-country nationals (1030/2002). These proposals provided for the mandatory storage of digitised facial images and fingerprints within 2-3 years from the date of adoption (this has now been adopted by the EU member states).

In March 2006 the Commission presented an amended proposal that residence permits may only be issued as a card. The revised Regulation Council Regulation (EC) No 380/2008 amending regulation No 1030/2002 laying down a uniform format for residence permits for third country nationals was adopted at the JHA Council on 18 April 2008. It was published in OJ L115 29 April 2008 – this introduces 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.

Securing the Border

The document *Securing the UK Border, Our Vision and Strategy* was published in March 2007 and detailed a new approach which recognised that a single staffed physical frontier where travellers showed paper based identity documents to pass through was subject to abuse. It outlined how, by managing identity throughout all points of contact it would be possible to put into place a border security system which made life easier for legitimate travellers but would stop those who would cause harm.

Information, intelligence and identity systems allow scrutiny at key checkpoints on the journey to and from the UK; the issue of Identity Cards to Foreign Nationals reinforce this secure approach providing for either further checks to verify a person's identity, or, subject those who were not in possession of a biometric visa to the requirement to apply for a biometric immigration document either as a stand alone document or as part of their further application for leave to remain.

3 - Selection of Roll Out Strategy

The strategy document [introducing compulsory identity cards for foreign nationals](#) was published 6 March 2008. In order to mitigate risk and introduce changes gradually it was recommended that the roll out should be on an incremental basis – i.e. UKBA would not introduce the scheme for all foreign nationals at the same time. Options for an incremental roll out have been considered for implementing Identity Cards for Foreign Nationals. These include roll-out by geography, nationality, application type or a mixture of all. UKBA undertook analysis of migration statistics, internal information and intelligence reports to understand how the immigration system is targeted by those who seek to abuse the system.

It was considered that roll-out by geography would allow for displacement as people would simply move from one address to another. Roll-out by nationality was also discounted. The decision was made to introduce Identity Cards on an incremental basis to initially target categories which evidentially contained higher proportions of those who seek to abuse the system. The roll out of Identity Cards will start with those in Student and Marriage categories followed by those granted discretionary leave; updating their “no time limit” stamps, work permit holders and those applying as a child of a foreign national parent already settled in the UK. Within 3 years of the commencement of roll-out all of those who successfully apply for an extension of stay will receive a card. The regulations which introduce each new category will be accompanied by an Impact Assessment which will be prepared in light of the experiences of the earlier roll-out to students.

The intention behind roll out by category type is to include a wide cross section of foreign nationals of all nationalities. However, with this approach it is accepted that there will be higher numbers of nationals within some nationality groups than of others but this will even out within two out as the roll-out progresses to encompass all foreign nationals who apply for further leave to remain in the UK. Selecting these specific categories is justified on the basis of the risk analysis which has been undertaken.

So how many people will this policy impact? We have analysed previous immigration statistics. In 2006 142,000 decisions were made from students plus their dependents on applications for extension of leave in the UK or settlement. In 2006 21,450 decisions were made from spouses plus their dependents on applications for extension of leave in the UK or settlement. Statistics taken from [Control of Immigration Statistics 2006](#).

The table below details the nationalities that were granted the highest number extensions of leave to remain or settlement as students:

China	25,895
Pakistan	13,750
India	13,575
Nigeria	7,680
Bangladesh	4,400
Mauritius	4,075
Brazil	4,215
Ghana	3,700
South Korea	3,215
Jamaica	3,180

The table below details the nationalities that were granted the highest number extensions of leave to remain or settlement as spouse:

Pakistan	1,815
India	1,470
United States	1,245
South Africa	1,160
China	1,030
Australia	1,030
Jamaica	885
Thailand	775
Ghana	740
Nigeria	640
Brazil	610
Russia	515

4 - Sanctions

In accordance with the [UK Borders Act 2007 \(c. 30\)](#) section 13 a public [Consultation exercise on the Code of Practice about the sanctions](#) was launched in February 2008 to explain the UK Border Agency approach to ensuring compliance with the requirements and to give the public an opportunity to give their views on the draft Code of Practice.

Although it is expected that the vast majority of people will wish to comply with the biometric registration regulations it is a mandatory requirement and failure to comply will lead to a financial or immigration sanction. The consultation about the Code of Practice about the Sanctions for Non-Compliance with the Biometric registration Regulations sets out the detail of how the sanctions will operate. The Act sets out a number of requirements, the consequence of failure to comply with some has a greater impact than others. These different requirements fall into two categories which were referred to within the consultation exercise as Primary and Secondary Compliance Requirements but have now been termed Application and Maintenance Compliance Requirements.

Application requirements are those which form an essential part of the application process for an identity card and other key requirements, including making an application for an identity card for foreign nationals and following any specified process when required to provide biometric identifiers. The Secretary of State may impose a sanction on a person who fails to comply with an Application requirement.

Maintenance requirements are other important requirements that apply after an identity card has been issued to a person and failure to comply with a maintenance requirement will normally result in the issuing of a civil penalty. In order to ensure that a person is given the optimum opportunity to comply with the requirement a letter will be issued in every case warning the person of the contravention; if the warning is heeded in reasonable time no further action in respect of the that particular non-compliance.

5 - Appeals

There is no right of appeal against a decision to refuse to issue an identity card for foreign nationals or to reject an immigration application, although this could be challenged by Judicial Review in appropriate cases.

There may be a right of appeal to the Asylum and Immigration Tribunal (under section 82 NIA 2002) when an immigration application is refused or leave is varied or cancelled.

There is a right to object to the Secretary of State and appeal against the issue of a Civil Penalty Notice to the county court or sheriff.

6 - Impacts of Policy

Employers

All employers have a responsibility to make the appropriate checks when they recruit people and satisfy themselves that the documents presented to them are valid and relate to the applicant. The holder of an identity card for foreign nationals will be 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. As UKBA phases out old style insecure documents and replaces them with secure cards employers sponsors will have increased confidence in the immigration system and in the applicant's entitlement to work.

Help already exists for an employer to confirm that a person is entitled to work through the employer checking service and if further help or reassurance is required around the identity card employers will be able to receive it through the employer checking service. The identity card is a

versatile tool which may be utilized confidently by the employer immediately allowing the employer to visually compare the document with the holder, and as a reliable document should the employer wish to contact the employer checking system and in due course as contains the benefits of new technology, for an employer to carry out his or her own verification process should they wish. At present no requirement for the employer to purchase a card reader or introduce any new procedures or processes as the result of the introduction of the identity card for foreign nationals.

Employers have a responsibility to prevent illegal working in the UK. On 29 February 2008 section 15 – 25 of the Immigration, Asylum and Nationality Act 2006 came into force. With effect from 29 February 2008 an employer who employs someone subject to immigration control aged over 16 who is not entitled to undertake the work in question will be liable to pay a civil penalty of up to £10,000 per illegal worker. A [code of practice](#) has been produced to provide further information. It is possible for employers to establish an excuse against the liability for payment of a civil penalty for employing an illegal migrant by checking and copying certain documents before they commence working for the employer. The list of documents includes an identity card for foreign nationals (listed as a biometric immigration document), as the identity documents gradually replace the other documents presently in circulation it will become easier for employers to confidently identify those who legally entitled to work in the UK.

Educational establishments

As the identity card will provide evidence that the holder has leave to enter or remain in the United Kingdom it may be used to demonstrate that a person is entitled to study at an educational institution. 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

The main change for applicants is that they will be 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 for 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 will available to postal applicants. Applicants who previously applied by post will now have to travel to attend the appointments, their application will then be considered in line with the present 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 will 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.

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).

7 - Delivering the Policy

Enrolment Pilot

On 28 April 2008 the UK Border Agency commenced a pilot enrolment exercise to record the biometric identifiers of a small number of people making applications for further leave to remain as a spouse or civil partner of a person present and settled in the United Kingdom or as the unmarried or same- sex partner of a person present and settled in the United Kingdom on application form FLR (M) and those applying within the student categories on application form FLR(S). It did not involve the issue of an Identity Card and where leave was granted it was in the form a vignette (sticker). The pilot affected those who resided within the London postal code area and were making an application by post or had booked an appointment to attend the Croydon Public Enquiry Office for a same day (premium) service. The pilot is designed to pressure-test enrolment processes and technology.

The main roll out

The main roll out for cards will start on **25 November 2008** for students and those applying as a spouse (for further leave to remain). As explained above, these immigration categories have been prioritised for early roll out as there is evidence and intelligence that these categories have been targeted by those seeking to abuse in the system. We will quickly move on to other immigration categories so that within 3 years of roll out all new applicants and those extending their stay in the UK will have a card.

At the same time, the Identity and Passport Service is starting its roll out of identity cards for British Citizens. Initially from 2009 this will focus on those working in sensitive roles or locations. From 2010 the scheme will extend to issuing cards to young people on a voluntary basis. From 2010/11 IPS will start to enrol British citizens in high volume.

Over time the number of locations foreign nationals to undergo biometric enrolment will grow. Initially, applicants will be able to apply through the premium service and attend appointments at Croydon, Solihull, Liverpool, Glasgow or Sheffield. The UK Border Agency will supplement this network with additional public caller facilities in time and as the volume of applicants grows. UKBA is also working closely with the Identity and Passport Service to make use of additional space should this be cost effective and appropriate.

We anticipate that in the region of 50,000 applicants will go through biometric enrolment by the end of March 2009. Additional powers will then be sought to bring in other groups of foreign nationals into the scheme. At this stage a further Impact Assessment will be prepared.

8 - 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 initial groups prioritised for roll out and which are the subject of the regulations to be laid in Parliament. This will be repeated new groups are introduced into the scheme as regulations are taken 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 costs of rolling out identity cards over 10 years to those foreign nationals extending their stay in the UK are as follows:

	Full Implementation Option
Total one-off costs over 5 years	£20.7m
Total running costs over 10 years	£166.9m
Average Annual cost (Excluding one-off)	£16.7m
Total Cost (PV) over 10 years	£187.6m
Average annual benefit	£18.8m
Total Benefit (PV) over 10 years	£139.0m
Net Cost/benefit (NPV) over 10 years	£48.6m (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.

The costs shown in the table are a subset of those published in the recent [Identity Cards Costs Report, May 2008](#) which outlines the estimated costs of the Government's plans to more widely roll out identity cards to foreign nationals (by issuing cards to those holding visas valid for more than six months and also, in time, the settled population). 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) 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
- **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.

9 - Alternative Options assessed

The options assessed were:

- **Do nothing** - not possible because of measures needed for an effective application of the EU regulations. While the EU regulations are themselves directly applicable as part of UK law, it was necessary to legislate for additional provisions in domestic law, for example, those concerning safeguards for children, or the provisions of civil penalties and other sanctions for failure to comply with a biometrics requirement, and other matters which the EU regulations do not cover.
- **Partially Implement (EU Minimum)** - 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.

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	
	£ 4.5m	5	
	Average Annual Cost (excluding one-off)		
	£ 2.29m	10	Total Cost (PV) £ 27.4m
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 £29.8m.
	One-off	Yrs	
	£ 0		
	Average Annual Benefit (excluding one-off)		
	£ 2.98m		Total Benefit (PV) £ 29.8m
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 by risk 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) £ 2.4m
----------------------	-------------------------	-------------------------------------	---

What is the geographic coverage of the policy/option?	National			
On what date will the policy be implemented?	25 November 2008			
Which organisation(s) will enforce the policy?	UKBA			
What is the total annual cost of enforcement for these organisations?	£ 1.9m			
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	<i>Results in Evidence Base?</i>	<i>Results annexed?</i>
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

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 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

Benefit description	Partial Implementation – EU Minimum	Full implementation	Rationale
Deterred migrants won't commit Vehicle Excise Duty fraud	mid	Full	As more migrants will be checked under the preferred option, higher volumes will be deterred.
Improves DVLA's ability to check for Vehicle Excise Duty fraud in country	mid	Full	As more migrants will be checked under the preferred option, higher volumes of migrants can be checked by DVLA as card reading technology becomes the norm.
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.

COUNT OF CONTRIBUTIONS TO QUALITATIVE BENEFITS			
full	3	13	
high	3	3	
mid	5	0	
low	5	0	

SUMMARY ASSESSMENT

LOW

HIGH