

**QUESTION TO BE ASKED OF THE PRESIDENT OF THE HOME AFFAIRS COMMITTEE ON
TUESDAY 3rd FEBRUARY 2004, BY SENATOR P.V.F. LE CLAIRE**

Question

Would the President advise members of the cost, by country, of issuing work permits for the last three years and would she explain how the Committee has met these costs?

Answer

The Home Affairs Committee has a fee structure for work permits based on their duration –

| | |
|---|------|
| up to one month | £10 |
| more than one month but less than twelve months | £30 |
| twelve months or more | £150 |

This fee structure, which has been in place since 1st January 1999, aims to recover all or most of the department's costs from employers who pay the fees upon making work permit applications. The vast majority of permits are those issued for the hospitality and agricultural industries which fall into the middle tier of £30. Long term permits generally require more processing time due to the nature of the checks which need to be made.

The cost of issuing work permits is therefore not based on the overseas national's country of origin. However it is possible to show the overall income from permits issued to different nationalities and this can roughly be taken to be the costs incurred. The income figures and numbers of work permit applications are given in the chart provided. The vast majority of permits issued to new-EU nationals were to Polish nationals and the very few others are therefore not shown separately. For information, the number of permits for Kenyan nationals is also shown.

It is difficult to calculate precisely whether the fees charged do recover the costs incurred. It is estimated that due to the increase in the numbers of permits in the last few years economies of scale were achieved, certainly last year. However, staff devoted to this work were severely stretched and any further increase in permit applications would have required extra staff.

One can see from the chart that using last year's figure the reduction in income due to nationals of the new EU states becoming permit free will be about £80,300. As the chart shows this was a substantial increase on previous years' income and was not budgeted for; it was additional income. The loss, such as it is, of this income has been partly offset by the abolition of one post which was dedicated to the issue of work permits and by a saving in administrative costs. The remaining reduction in income forecast for 2004 may be estimated at about £30,000 but this must be taken in the context of last year's exceptional income which, as I have said, was not a sum that was budgeted for. Consequently there is no real detrimental impact on the Department's budget.

WORK PERMIT APPLICATIONS

| By permit cost | | | | | | | | |
|---|------------|--------|------------|--------|-------------|--------|----------------|-----------|
| | £10 permit | | £30 permit | | £150 permit | | Total | |
| | No. issued | £ | No. issued | £ | No. issued | £ | permits issued | revenue £ |
| 2001 | 176 | 1,760 | 1,452 | 43,560 | 61 | 9,150 | 1,689 | 54,470 |
| 2002 | 153 | 1,530 | 2,572 | 77,160 | 41 | 6,150 | 2,766 | 84,840 |
| 2003 | 176 | 1,760 | 3,124 | 93,720 | 38 | 5,700 | 3,338 | 101,180 |
| By nationality – assuming Polish and Kenyan permits were at £30 | | | | | | | | |
| | POLISH | | KENYAN | | OTHER | | Total | |
| | No. issued | £ | No. issued | £ | No. issued | £ | permits issued | revenue £ |
| 2001 | 1,329 | 39,870 | 78 | 2,340 | 282 | 12,260 | 1,689 | 54,470 |
| 2002 | 2,307 | 69,210 | 230 | 6,900 | 229 | 8,730 | 2,766 | 84,840 |
| 2003 | 2,677 | 80,310 | 347 | 10,410 | 314 | 10,460 | 3,338 | 101,180 |