

# What will Brexit mean for the government's immigration agencies?



*After the conclusion of the first phase of Brexit talks, the focus has now moved to the transition deal likely to take effect from 2019. But the impact of leaving the EU on Whitehall's immigration agencies will be permanent, says **Matt Bevington (UK in a Changing Europe)**.*

While negotiations in Brussels move slowly forward into the second phase, officials in London are beginning preparations for the UK's EU exit, supported by funds of £3.7bn from 2017-2020. This spending, however, is merely the start of the permanent rise in spending, not just one-off payments on the way out of the EU, that will be needed. One of the areas where this will be required is in the UK government's immigration agencies – organisations which have faced years of retrenchment and will play a crucial role in implementing the vision for post-Brexit Britain and which will face [challenges in both the transition period](#) and the post-Brexit period.

## The transition period

Free movement of people to and from EU countries will ostensibly come to an end once the Article 50 period has concluded in March 2019. The government has indicated that its intention is for a transition period of around two years to follow, with the immigration system continuing much the same in practice, but with EU arrivals having to register. The main challenge for the Home Office during the transition period will be to register the roughly 3m EU citizens already living, working and studying in the UK. [This is expected to double applications](#) received by UK Visas and Immigration (UKVI). However, this process cannot begin until the withdrawal agreement with the EU has been finalised in early 2018. **After the transition period**

Following the budget, [the government has now committed £3.7bn over 2017-20](#) to preparations for the UK exiting the EU. But, as future immigration arrangements are subject to the outcome of the negotiations, the UK's immigration agencies have been left to take only piecemeal measures in lieu of clear direction about what systems will need to look like after the transition period. Whatever is decided, these agencies will have to expand substantially.

From April 2021, the administrative pressure will come from processing the estimated 244,000 EU citizens who come to the UK each year for long-term purposes. This analysis assumes that future immigration rules will be equalised for EU and non-EU citizens.



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## Border Force

The Border Force, which among other things manages the flow of people across the borders, remains in a holding pattern, like many agencies. It has begun to implement small measures, such as [recruiting 250 staff](#), but these will hardly equip it for the future. According to Lucy Moreton of the Immigration Service Union this expansion is “[only intended to bring Border Force up to where it should already be](#)”, not to provide additional capacity.

A rise in visa arrivals looks certain by the time the UK leaves the EU proper. Visas are set to reach some 28.5% above their current level by 2021/22, with about 10% of this attributable to EU citizens. Using this latter figure as an estimate, the agency's spending on day-to-day costs such as staff would have to rise by around £50m to meet demand. This would expand the agency from 7,700 staff to 8,400.

Capital spending, which was about £54m in 2016/17, will also be needed. If this were to return to 2011/12 levels when preparations were being made for the London Olympics – the most recent precedent for a sudden rise in the number of visa arrivals – this figure could more than treble.

This would add up to a total increase in spending of around £150m for the agency by the end of the transition period.

### **UK Visas and Immigration**

The implications for UKVI are even more significant. Between 2013/14 and 2016/17, both UKVI spending and visa applications increased consistently. Over this period every 1% rise in visa applications correlated with a 2.4% rise in the agency's spending. Should this trend continue (with EU visas added), UKVI spending would balloon by more than 80% by 2021/22. Staff numbers would rise from 6,500 to about 11,600.

Having said this, UKVI is a profit-making department, with a target to recoup all of its costs, which it more than achieves. Therefore, any expenditure rise will be more than met within the department's own budget. This overall effect would leave the department with a net gain of about £200m by 2021/22.

However, implementing any new immigration system could also require additional capital spending for UKVI, which could wipe out this gain.

### **Immigration Enforcement agency**

For this part of the Home Office, more stringent visa rules and a wider number of nationalities that are subject to them will automatically increase resource requirements.

In 2016/17 [about 46,000 individuals overstayed their visas](#). On current trends, and including EU nationals, this number could rise by about a third by 2021/22. A direct translation of this increase to spending would cause it to jump by about £150m, to £600m. For staff, this would increase the number from 5,000 to 6,600.

### **The net effect**

The net effect for these departments comes to a cost of about £100m in 2021/22. In staff terms, the required increase is about 7,400.

This may seem small in the context of overall government spending. However, with 26 government agencies with activities at the border, these costs per department will quickly escalate into something more substantial.

Crucially, most of these costs are not one-off Brexit costs but a permanent rise owing to increased staffing requirements, subtracting from departmental budgets not just in 2021/22, but for all subsequent years.

What is more, these are perennially understaffed departments that require resourcing just to get back to equilibrium, quite apart from an increase in workload.

Once the negotiations move on to phase two, the key will be to establish a future immigration regime as quickly as possible to allow adequate preparation time and minimise contingency spending. A Home Office white paper is expected shortly.

After years of retrenchment in the civil service, the immigration agencies will have to expand in the order of thousands of staff in the coming years to cope with an increased workload. The government has begun its preparations for leaving the EU, but the spending that we have seen so far is just a hint of what is to come.

*This post represents the views of the author(s) and not those of the Brexit blog, nor the LSE. It originally featured on [Civil Service World](#).*

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