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Dear Joss, Tim, Richard and Huan,

VISA FEES

Thank you for your letter of 19 July regarding the Government's planned increases to visa fees.

The Government is taking responsible decisions on the public finances, striking a balance between the demands of our public sector workers and the needs of our country and economy. Funding public sector pay awards through borrowing would simply add more pressure on inflation at exactly the wrong time, risking higher interest rates and higher mortgage rates.

Instead, we will reprioritise within existing budgets and take sound choices to maximise income. That includes increasing fees across a range of immigration and nationality routes, at a time of record high migration numbers. We are also equalising costs for students and those using a priority service, so that people pay the same whether they apply from within the UK or from outside the UK. That will help to cover more of the cost of the migration and border system, allowing the Home Secretary to divert more funding to police forces to help fund the pay rise for the police.

On visit visas more specifically, we are increasing the majority of visit visa fees by 15%, reflecting that these fees have not been subject to significant increases since 2019, with the exception of the fee for a short-term visit visa which increased by £5 in April 2022. The fee for this product is currently set below the estimated cost of processing an application (£100 vs. estimated £135 unit cost), with the planned increase to the fee meaning we will be in a position to better recover costs for this product in future.

The Government is committed to supporting the tourism and aviation sectors. The government has contributed to various successful campaigns to stimulate the tourism sector's recovery, including the £10 million National Lottery 'Days Out' scheme, which stimulated demand for more off-season day trips to tourist sites across the UK. In February 2023, VisitBritain launched their new multi-million-pound international GREAT campaign 'See Things Differently', to position Britain as a dynamic, diverse and welcoming destination. Moreover, to strengthen the structure and coherence of the regional tourism landscape, the government agreed to take forward recommendations from the independent Destination Management Organisations review and the government announced in November 2022 that the NewcastleGateshead Initiative has been chosen to lead a Destination Development Partnership pilot which will receive £2.25 million across three years in order to attract more investment, welcome more sporting, business and cultural events, and boost tourist numbers.

Furthermore, at Autumn Statement 2022, the government announced a package of changes and tax cuts worth £13.6 billion over the next five years, that will support the retail, hospitality and leisure sectors, which are all a key part of the UK's tourism industry. The package contains new measures to reduce the burden of business rates, including a freeze in the multiplier, extended relief for high street businesses, an exchequer funded transitional relief scheme, and targeted support for small businesses.

Best wishes,



RT HON JEREMY HUNT MP
Chancellor of the Exchequer