POLICY PAPER

Taking back control? The impacts of the UK's post-Brexit immigration reforms

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INTRODUCTION

On 23 June 2016, the United Kingdom voted to leave the European Union, driven largely by public concerns about immigration. Politicians argued that leaving the EU would enable the UK government to "take back control" over its borders and reduce immigration. In response, the post-Brexit immigration reforms had two main stated goals: to reduce net migration and prioritise skilled work migration.

However, these reforms did not yield the promised results. Contrary to expectations, net migration rose dramatically, reaching a record high of 906,000 by June 2023, significantly exceeding pre-Brexit levels. While net migration from the EU fell into negative figures, the migration of non-EU nationals surged, particularly from India and Nigeria, who brought with them higher numbers of 'dependants' (partners and minor children).

And despite assurances that there would be no "carve-outs" to allow low-wage or low-skilled migrants into key sectors facing labour shortages, two major exceptions were ultimately made: for seasonal agricultural work, and social care.

The immigration of social care workers, many bringing families, skyrocketed. Significant challenges attended the creation of this route, with evidence suggesting that many care workers have not received the pay or working conditions they were promised, while others have experienced severe forms of exploitation.

Despite a liberal shift in public opinion after the 2016 Brexit referendum, record levels of net migration post-pandemic partly reversed this, with immigration regaining prominence as a major issue of public concern by the end of 2024.

In response to this concern, the Conservative government introduced in 2024 major reforms to restrict the immigration system and reduce numbers: a ban on care workers and most international students from coming with their dependants (partners and children); increases to salary thresholds for private sector work visas; and enhanced scrutiny of employer-sponsored visas, particularly for care workers. These measures dramatically reduced net migration, halving it from 2023 to 2024.

The new Labour government, elected in 2024, has retained these Conservative restrictions, and pledged to reduce reliance on overseas recruitment by improving training for UK-based workers. It has introduced further restrictions: raising the skill threshold back to degree-level as it was before Brexit, further increasing salary thresholds, and closing the overseas recruitment route for care workers.

The overall narrative thus reveals a complex trajectory: initial post-Brexit immigration reforms, apparently intended to reduce immigration, actually increased it, prompting successive Conservative and Labour governments to implement tighter controls.

What of the government's Brexit promises to take back control? What has this meant in practice? In a functional sense, the post-Brexit system has indeed

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delivered greater policy control: clear levers, controlled by the UK government, governing who can come, on what terms, and for which jobs. Ministers first used those levers to liberalise key routes (lowering skill and salary thresholds for employer-sponsored work and re-introducing post-study work), which—combined with geopolitical shocks and strong labour and student demand—drove record net migration before the subsequent tightening halved it in 2024. In effect, high inflows were a consequence of deliberate choices taken under a system the government designed and administers. In other words, high immigration does not necessarily indicate a lack of control.

These developments have brought several key policy questions into sharp focus. Should immigration policy attempt to respond to lower-skilled labour needs, like social care? Or should it focus more on high-skilled workers? Should immigration policy attempt to attract and retain more international students? Labour's responses to these questions are examined in the conclusion to this policy brief.

POST-BREXIT: AN "AUSTRALIAN-STYLE" POINTS-BASED IMMIGRATION SYSTEM?

> *"For years, politicians have promised the public an Australian-style points-based system, and today I will actually deliver on those promises..."*
>
> Prime Minister Boris Johnson, House of Commons Debate, 25 July 2019

Contrary to policymakers' messaging, the UK's main post-Brexit "points-based" work visa, known as Skilled Worker, bears little resemblance to Australia's points system, the Skilled Independent route. In fact, the UK's points-based system is not even a points system as usually understood.

The UK's points-tested visa requires employer sponsorship, and applicants must do the specific job for which they are sponsored. This makes it a relatively conventional employer-led system – precisely the kind the UK had before Brexit.

The Skilled Worker route does include a points test, but it is largely presentational. The successful applicant for a Skilled Worker visa must meet a threshold of 70 points. However, 50 of these are gained by meeting three mandatory criteria that must be met to qualify for the visa: speaking English at the required level (10 points), and having a job offer from an approved employer (20 points) that is middle-skilled or above (20 points). The remaining 20 'tradable' points are awarded for meeting a salary threshold for the sponsored job, which varies depending on whether the occupation is on the shortage occupation list, whether the applicant has a PhD, or whether the applicant is a "new entrant" to the labour market, meaning they are under 26, a recent graduate, or in professional training. Importantly there is no annual cap for admissions.

MORE RESTRICTIVE FOR EU CITIZENS – BUT MORE LIBERAL FOR EVERYONE ELSE

Brexit ended freedom of movement, under which nationals of European Union countries could move freely to the UK to join family, study, or work in any job. Because the post-Brexit immigration system requires EU citizens to apply for visas in the same way as citizens from the rest of the world, it is much more restrictive for citizens from the EU than the system it replaced. However, the main post-Brexit work migration route, known as "Skilled Worker", is in fact more liberal for non-EU citizens than the previous system, known as Tier 2 (General), primarily due to lower skill and salary thresholds (Table 1).

Other Brexit liberalisations included removing the maximum period of stay under the main work visa (of six years) and removing the twelve-month "cooling-off" period, which required people on Tier 2 visas who had left the UK to wait a year before being eligible to return on another Tier 2 work visa. This means that under the new Skilled Worker route, a person can work indefinitely in the UK if they keep extending their visa – as long as all the original entry criteria are met, including working in the same occupation for the same employer. Importantly, the annual cap of 20,700 work visa issuances was also removed, as was the Resident Labour Market Test, which required employers to first advertise vacancies to UK residents.

These were notable liberalisations on the previous system, reflecting, in the words of the economist, Jonathan Portes, "both business concerns and the desire on the part of government (especially the Treasury) to smooth the impact of Brexit and to make a reality of 'Global Britain'."

Table 1: A comparison of Tier 2 (General) and the Skilled Worker route that replaced it

	Tier 2 (General) [2020]	Skilled Worker [2021]
Required for EU citizens to work long-term?	No	Yes
Skill threshold	High-skilled (graduate level)	Middle-skilled (secondary-level or equivalent education, e.g., A-levels)
Salary threshold	£30,000 per year or the going rate for the occupation, whichever is higher	£25,600 per year or the "going rate" for the occupation, whichever is higher
Maximum period of stay	6 years	No maximum period
Cooling-off period	1 year	None
Resident Labour Market Test	Yes	No
Cap	Yes: 20,700 per year	None
Settlement salary threshold	£35,800	Usually £25,600 or the "going rate"
Employer requires Sponsor Licence	Yes	Yes
Employer pays Immigration Skills Charge	Yes	Yes

Source: Author's analysis of Home Office, Immigration Rules (for Tier 2 General); and Statement of changes in Immigration Rules, HC 813, p. 221–222 (for Skilled Worker).

Note: The table shows the features of the Skilled Worker route as introduced in January 2021.

Exceptions for care workers and seasonal agricultural workers

Despite the new points system prioritising skilled work, there are two major exceptions for low-wage occupations: social care, and seasonal agricultural work (under the Seasonal Worker Scheme or SWS). The rationale for the Seasonal Worker Scheme is to address shortages of domestic seasonal agricultural labour and improve food security. In 2023, around 33,000 visas were issued for seasonal agricultural work.

Following a recommendation from the Migration Advisory Committee in 2021, the UK's independent official body that advises the government on migration policy, care workers were made eligible for the Skilled Worker visa in February 2022, specifically under the Health and Care visa, which is a subcategory of the Skilled Worker visa for healthcare and social care professionals.

Students

The post-Brexit student route is similarly dressed up as a points route, also requiring 70 points to qualify. But the points are attached solely to three compulsory criteria: receiving a student offer from an eligible UK higher education institution (50 points); meeting financial requirements (10 points); and demonstrating English language ability at the level of B2 (10 points).

The main post-Brexit change to student migration was the reintroduction of a post-study work visa, the 'Graduate' route. This allows students who have completed a degree in the UK to stay in the country for two years after graduation (or three years for PhD graduates), and work in any occupation at any salary or skill level (though seeking work or actually working is not required). Graduate visas cannot themselves be extended, but holders are eligible to switch to skilled work routes, where usual eligibility criteria apply. Graduates' partners and children can also extend

their stay in the UK under the Graduate route if they originally joined the student applicant in their move to the UK.

IMMIGRATION SINCE BREXIT: HIGHER, NOT LOWER

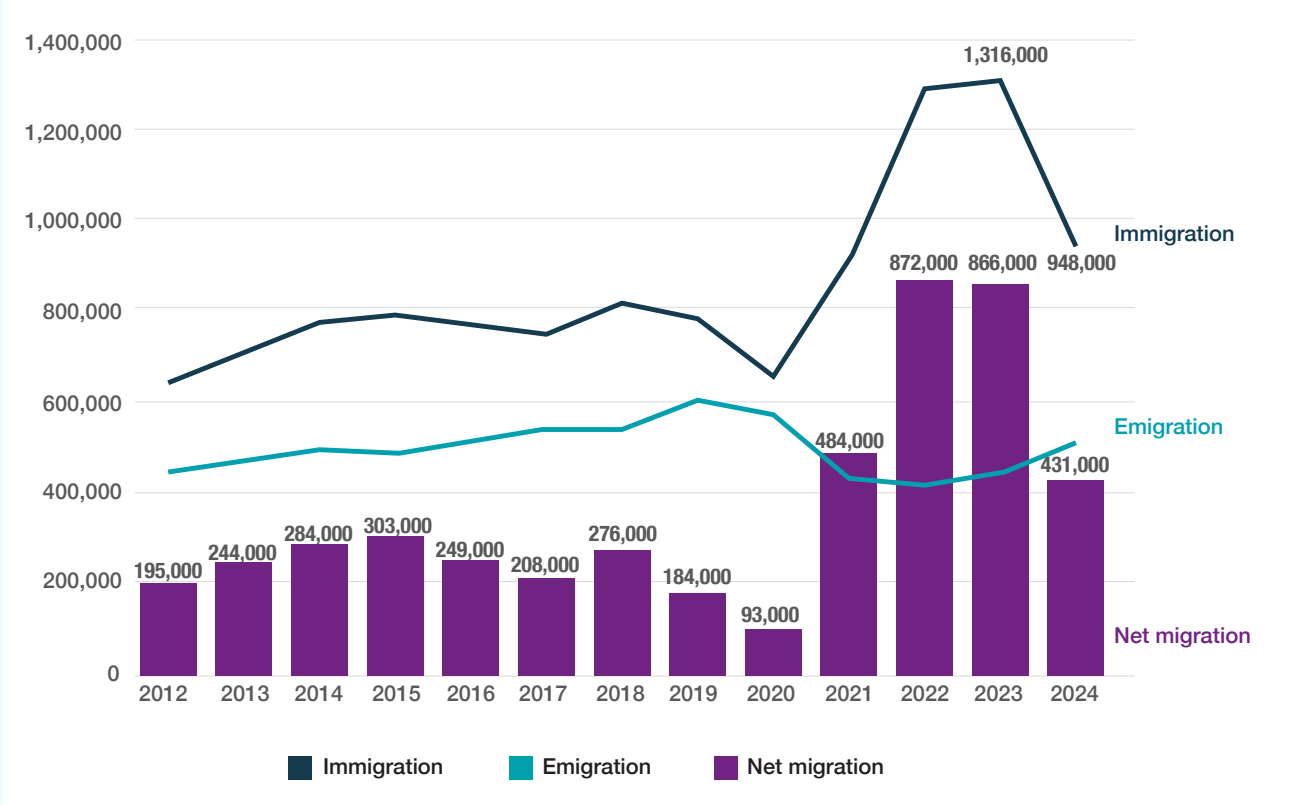
Since Brexit and the end of EU free movement to the UK, overall migration to the UK has increased, not decreased.

The UK's main statistic for measuring migration is "net migration", defined as immigration minus emigration in a given period, usually one year. This statistic therefore provides the net addition to a population that is due to migration.

From 2010 to 2019, the UK's migration policy was driven by the aim to reduce net migration to below 100,000. As Figure 1 shows, the government never came close to hitting this target before it was abandoned in 2019 under Boris Johnson's Conservative Party government.

In the five years before Brexit and the pandemic, from 2015 to 2019, net migration was between 184,000 and 303,000 in any given calendar year. Post-Brexit figures hit a peak of 906,000 in the year ending June 2023 – the highest on record – but have since more than halved due to the introduction of Conservative restrictions in early 2024 (Figure 1).

Figure 1. Estimages of long-term international migration, UK, 2012 to 2024
Immigration, emigration, and net migration, per calendar year



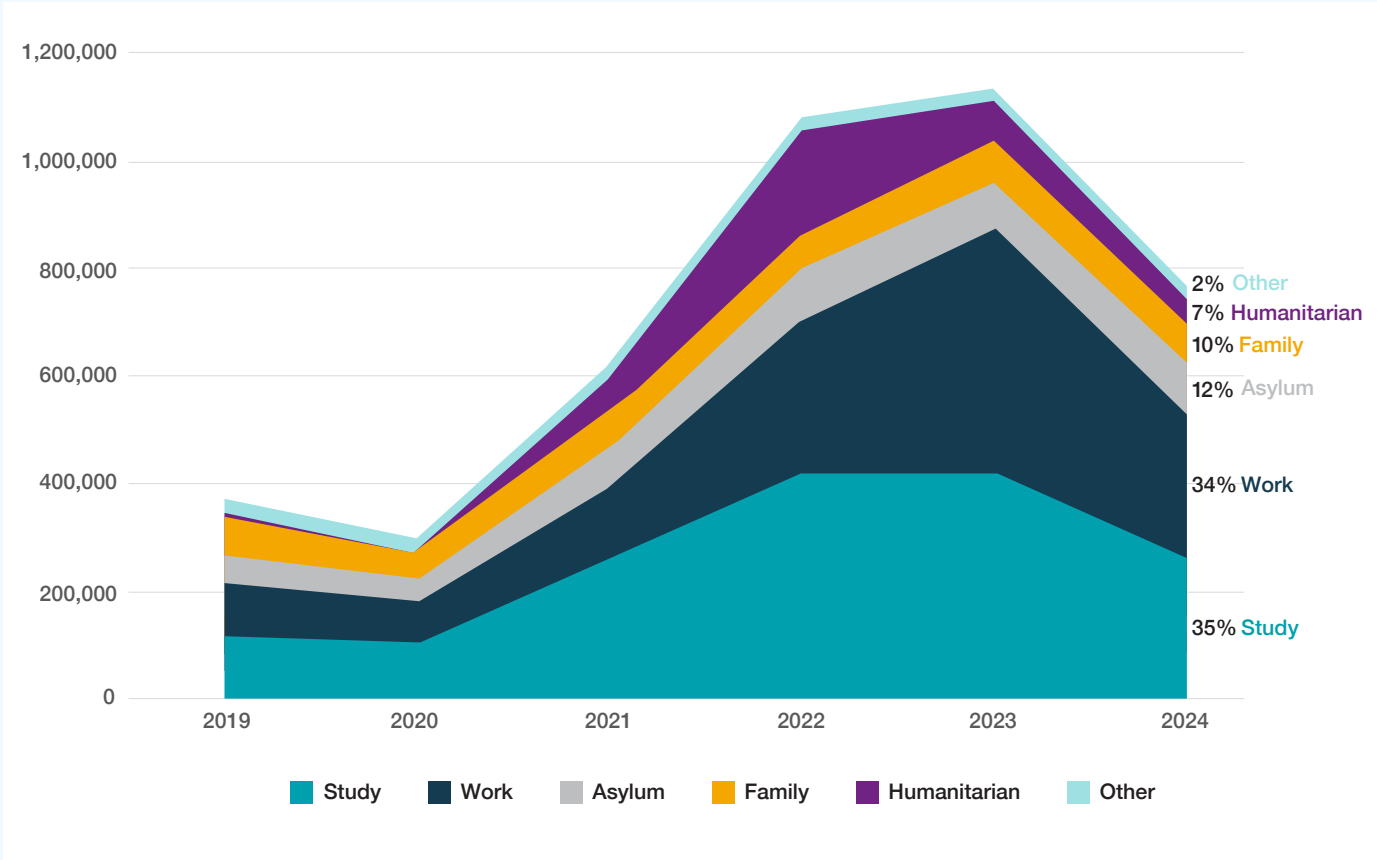
Source: Author's analysis of Office for National Statistics, Long-term international migration, provisional: year ending June 2024. Notes: Includes British nationals.

This unprecedented level of net migration was the result of three main factors (Figure 2). The first relates to geopolitical developments unrelated to Brexit: China's political repression in the former British colony of Hong Kong, and Russia's full-scale invasion of Ukraine. In response, the UK government introduced special visa schemes for British nationals from Hong Kong (which opened in January 2021 and remains open) and Ukrainians. Together, these humanitarian visa schemes contributed around a fifth of non-EU long-term immigration in 2022, though this had fallen to 6% in the year ending June 2024. By the end of September 2024, the UK had issued more than 481,000 visas to Ukrainians (265,000) and Hongkongers (216,000) under these "bespoke humanitarian routes".

The second cause is high employer demand for workers, particularly in the health and care sector. Work routes made up 40% of non-EU long-term immigration in 2024 (the latest period for which there are data).

Finally, the third main driver is the increasing number of people coming to study in UK universities. This followed a government strategy to recruit more foreign students, diversify away from China, and reintroduce a post-study work visa, the Graduate route. Students made up 36% of non-EU long-term immigration in the year to 30 June 2024.

Figure 2. Work and study drive immigration to the UK
Number of non-EU+ nationals coming to live in the UK long-term, by reason, 2019 to 2024



Source: Author's analysis of Office for National Statistics, Long-term international migration, provisional: year ending December 2024. Notes: EU+ = the EU-27 countries plus Norway, Iceland, Liechtenstein and Switzerland.

Table 3: Growth in Non-EU Immigration, 2019 to 2023

Reason	Share of growth
Work	46%
Study	40%
Asylum	1%
Family	5%
Humanitarian schemes	9%
Other	0%

Source: Authors' analysis of Office for National Statistics, Long-term international migration.

Notes: "Humanitarian schemes" comprises the Ukrainian schemes, Hong Kong (British Nationals Overseas) visa, and refugee resettlement programmes.

Net migration halved in 2024 as the high number of students post-Brexit returned home, and immigration fell steeply, as the rate of arrivals of Hongkongers, Ukrainians, students and especially workers fell.

Higher education international students

Study visas in the UK are temporary and do not provide a direct route to settlement. This means that time spent on a study visa does not count towards the five years of residence in the UK that is ordinarily required before a migrant may apply for permanent residence (known as "indefinite leave to remain").

Traditionally, large majorities of international students left the UK within a few years. For example, 83% of students beginning their degrees in 2018 had left the UK within five years. However, emerging evidence suggests that an increasing number of international students remain in the UK after completing their studies. For students beginning in the 2019/20 academic year, 61% left the UK after their studies, but for the subsequent 2021/22 cohort, this had fallen to just 35%.

Research by The Migration Observatory at the University of Oxford found that recent cohorts of international students have been more likely to switch

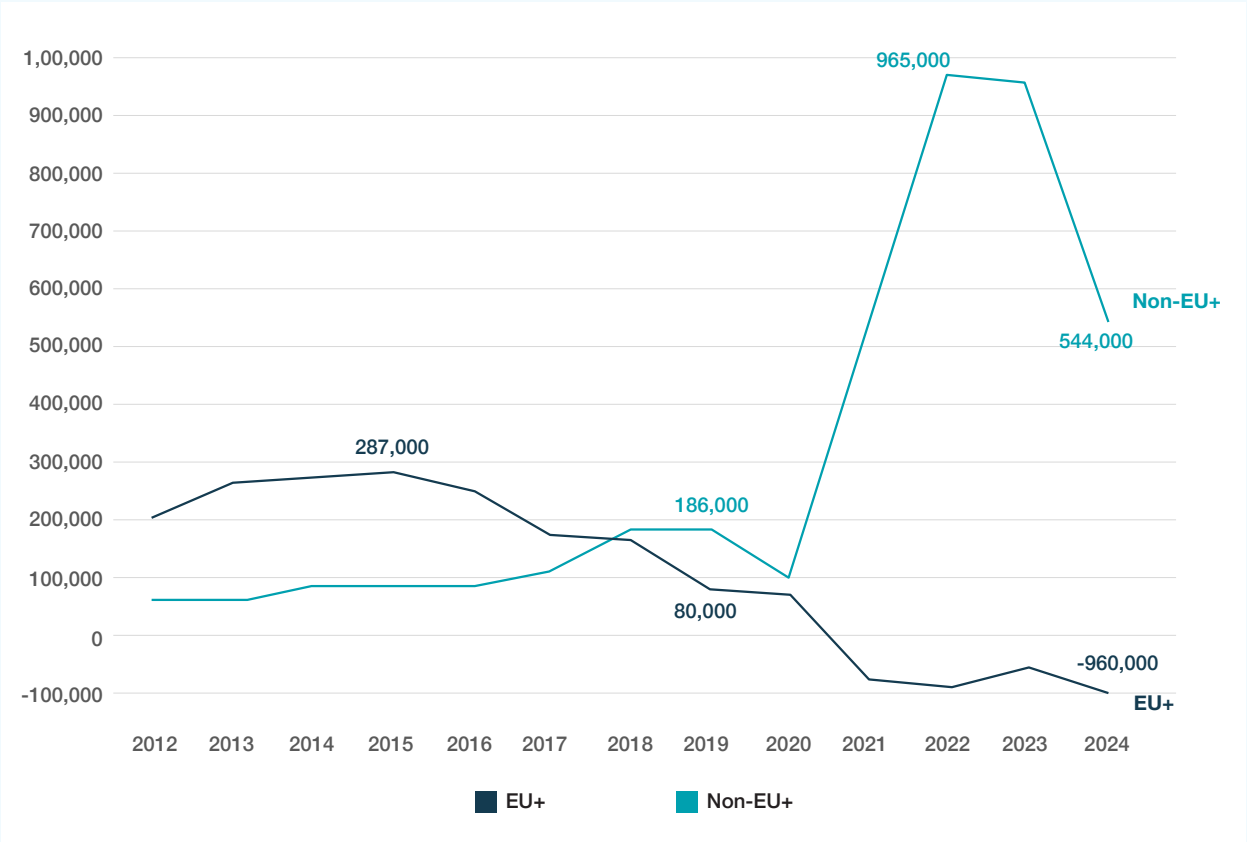
to work visas than in the past. This is not just because of the Graduate visa. More students are switching to Skilled Worker visas, which provide a path to permanent residence in the UK.

A major factor behind the higher numbers switching to long-term work visas is the decision to make care workers eligible for the Skilled Worker Route in early 2022. More than half of all people who switched directly from study visas to skilled worker visas in the year ending June 2023 went into care work. This suggests many former students are overqualified for their Skilled Worker Route jobs.

HIGHER NON-EU MIGRATION HAS MORE THAN OFFSET LOWER EU MIGRATION

Since Brexit, it is not only the level of migration that has changed, but its composition. In the three years preceding the Brexit vote in the summer of 2016, EU migration to the UK was larger than non-EU migration. Since the Brexit vote, this pattern reversed: non-EU migration increased substantially, while EU net migration fell, becoming negative in 2021 and remaining negative thereafter (Figure 3).

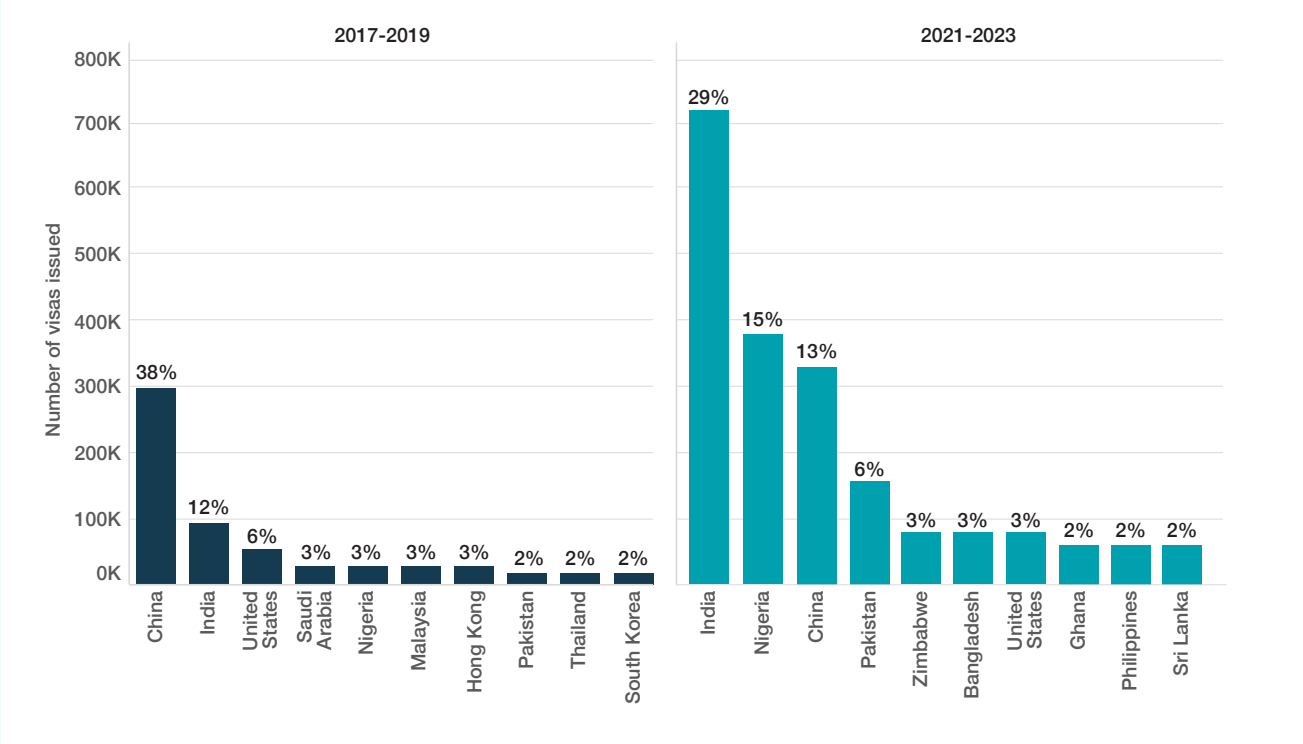
Figure 3. Increases in non-EU+ net migration have more than offset falls in EU+ migration
Estimates of net migration to the UK, by nationality (EU+ and non-EU+), 2012 to 2024



Source: Author's analysis of Office for National Statistics, Long-term international migration, provisional: year ending June 2024. Notes: Excludes British nationals. EU+ = the EU-27 plus Norway, Iceland, Liechtenstein and Switzerland

Post-Brexit, there has been a notable shift in the most common nationalities coming to the UK on Skilled Worker or student visas, with particular growth seen in visa issuances to Indians and Nigerians (Figure 4), who also bring more dependants (partner and children) than other nationalities, such as Chinese.

Figure 4. Top 10 nationalities receiving visas: pre-Brexit vs. post-Brexit.
For Skilled Worker and study visas issued from 2017-2019 inclusive, and 2021-2023 inclusive; main applicants and dependants

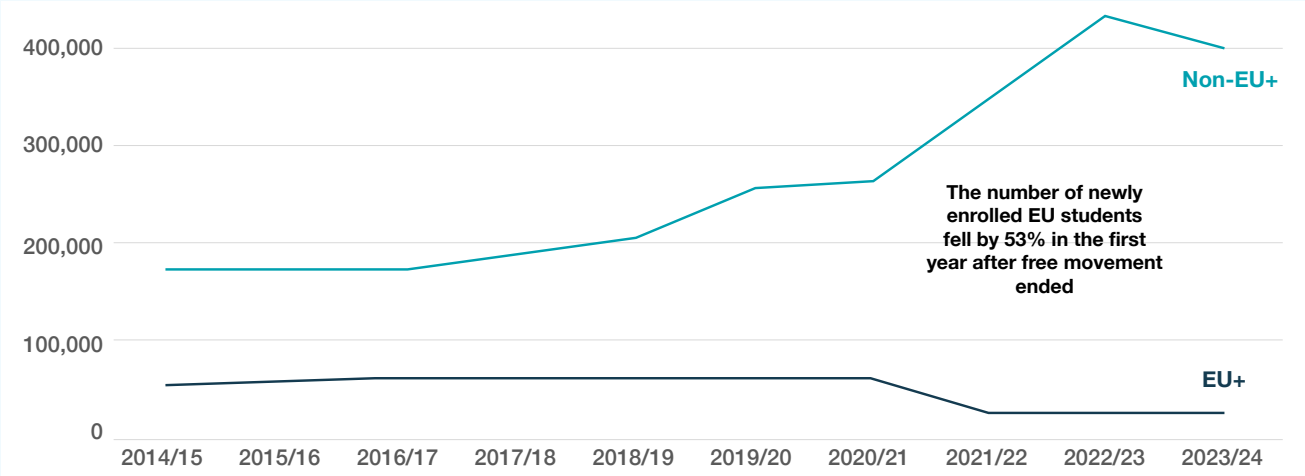


Source: Author's analysis of Home Office Immigration System Statistics, Entry clearance visa outcomes datasets, Table Vis_D02.

UK universities have also become less attractive to EU students (Figure 5). Before the end of free movement, EU-origin students did not require study visas, benefited from the same lower tuition fees as domestic students, and were entitled to the same taxpayer-subsidised tuition fee loans, which meant that they did not have to pay any money upfront for tuition fees. Post-Brexit, EU students require visas and are no longer entitled to the benefits of domestic students.

However, this decline in EU students has been more than offset by an increase in international students from outside the EU, with the new Graduate Visa proving particularly attractive to Indians and Nigerians. Of the 537,000 international students who received their initial study visa in 2022, 8% had switched to the Graduate visa, and 11% had switched to the Skilled Worker route within two years.

Figure 5. EU students made up 7% of all international students in 2023/24, down from 27% in 2016/17
Newly enrolled students at UK universities, by domicile and academic year



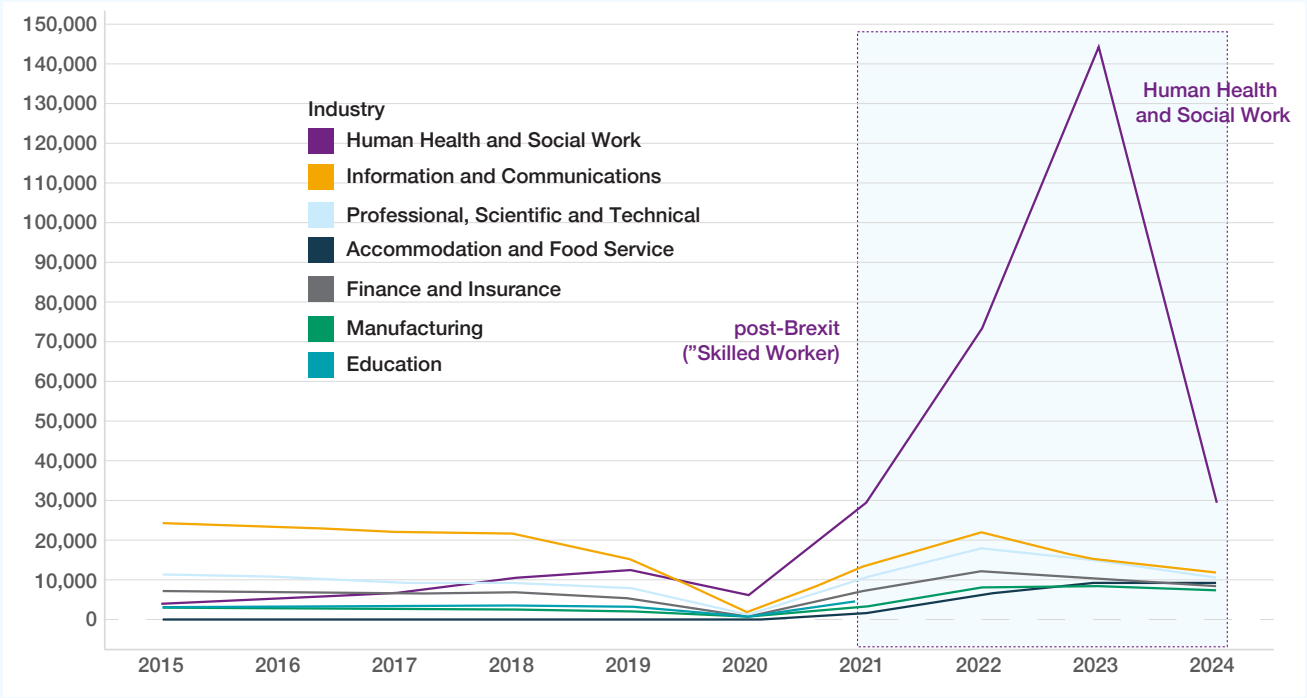
Source: Author's analysis of HESA Higher Education Student Statistics, 2023/24 academic year.

Notes: Data are disaggregated by students' last 'domicile', which refers to their last country of residence before coming to the UK – rather than nationality, meaning some British and non-EU citizens living in the EU will be included in the counts.

WHICH SECTORS ARE MIGRANTS WORKING IN?

A major shift post-Brexit has been the substantial growth in work migration into health and social care. Figure 6 shows work sponsorship certificates for the main pre- and post-Brexit skilled work routes (Tier 2 and Skilled Worker). Employers assign these certificates to prospective migrant workers for use in their applications for skilled work visas.

Figure 6. Number of people sponsored for Skilled Worker visas, by industry
Number of applications per calendar year for the UK's main work visa (pre-Brexit: "Tier-2(General)"; post-Brexit: "Skilled Worker") according to the industry listed in the Certificate of Sponsorship included in the visa application, 2015 to 2024



Source: Author's analysis of Home Office Immigration System Statistics, CoS_D01.

Notes: The chart shows the number of applications for the UK's main work visa (pre-Brexit: "Tier-2 (General)"; post-Brexit: "Skilled Worker") according to the industry listed in the Certificate of Sponsorship included in the visa application. The industry is self-assigned by sponsors. Certificates of Sponsorship (CoS) are required by individuals applying for a work visa and are assigned to applicants by licenced employers ("sponsors"). Not all applicants will ultimately come to the UK, such as if their application is refused (though application success rates are high).

ECONOMIC IMPACTS OF THE POST-BREXIT SYSTEM

Evidence on the general economic impact of migration to the UK suggests that work migration boosts growth, because it increases the size of the labour force. What is less clear, however, is whether migration increases Gross Domestic Product (GDP) per person, which provides an indication of average living standards. This will depend upon the productivity of migrant workers. Some pre-Brexit analyses suggest evidence of a positive effect on GDP per person, especially where the migrants are highly skilled.

Overall, the impact of migration on the labour market in the UK has tended to be relatively small, with little impact on unemployment or average wages. There is one potential exception to this, which is that migration may slightly depress wages for lower-paid workers.

Labour market impacts

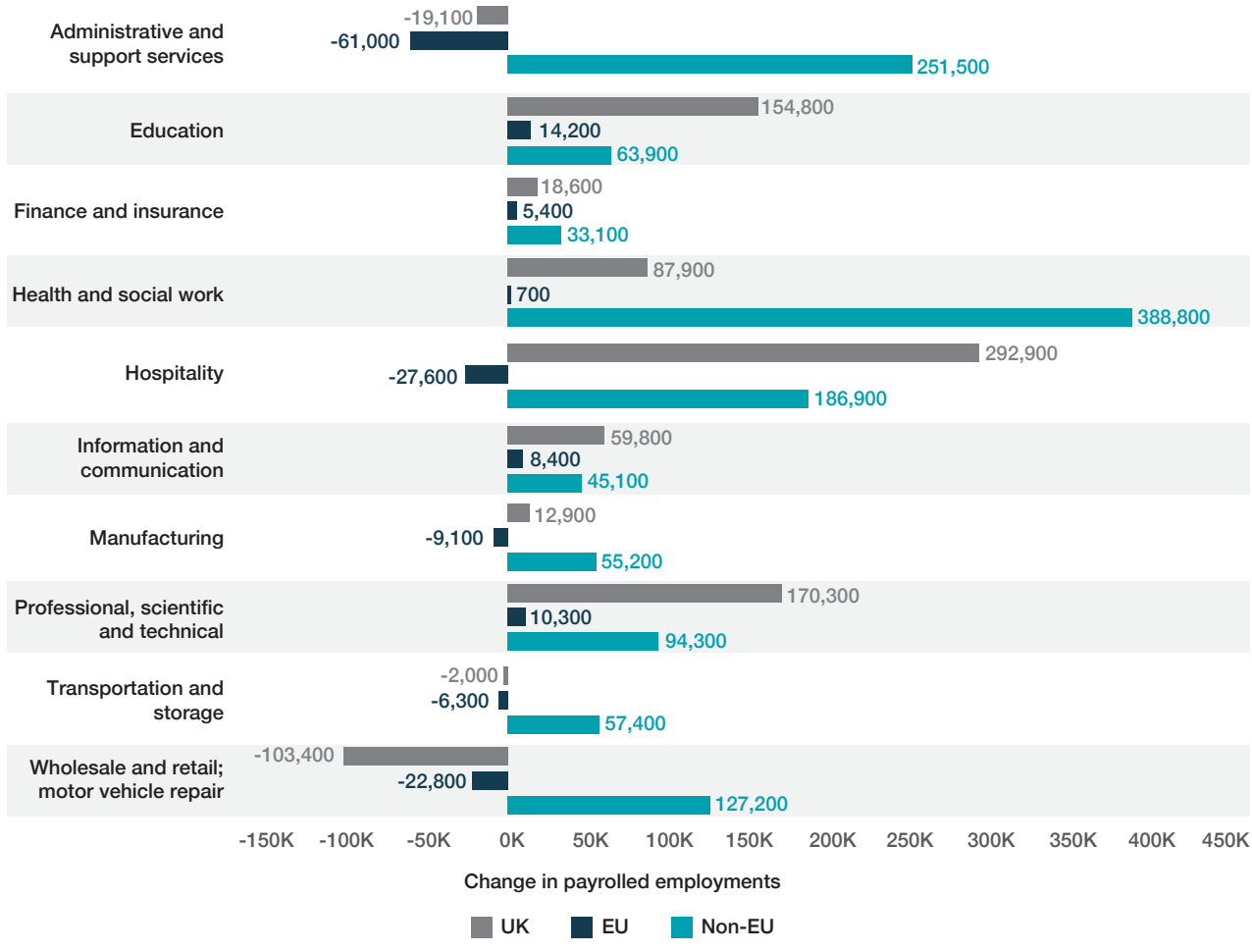
Before examining evidence on the post-Brexit system's economic effects, it is important to recognise that the Skilled Worker visa is by no means the only route by which immigrants enter the UK labour market. Since the introduction of the new system in January 2021, the number of non-EU-origin workers on employee payrolls grew by more than the number of work visas (excluding temporary workers) issued. This points to an important phenomenon: immigrants are entering the UK

labour market by routes other than the Skilled Worker visa – routes that give unrestricted work rights. These routes include the partners of work or study migrants; refugees and people on humanitarian visas for Hongkongers and Ukrainians; and (ex)-students now on Graduate Visas, as well as their dependants. This means that the impact of migration on the UK labour market goes far beyond the impacts of those on Skilled Worker visas.

Figure 7 presents the change in payrolled employment at the end of 2020 (before the end of free movement), compared with three years after the introduction of the post-Brexit points system, at the end of 2023.

It shows that employment of non-EU nationals increased in all sectors between December 2020 and December 2023. It also shows that in the hospitality, retail, and health and social care sectors, non-EU migrants have helped mitigate some of the workforce shortages left by stagnation or declines in EU workers. In social care, these shortages resulted mainly from deteriorating relative pay and conditions. In high-skill and high-pay service sectors, non-EU migrants continue to be a major and growing source of skilled labour in IT and finance. In lower-paid service sectors, the reduction in flows of EU-origin workers has been offset by increases in non-EU workers.

Figure 7. Change in payrolled employments by nationality group: December 202 vs. Devember 2023.
Top ten largest sectors



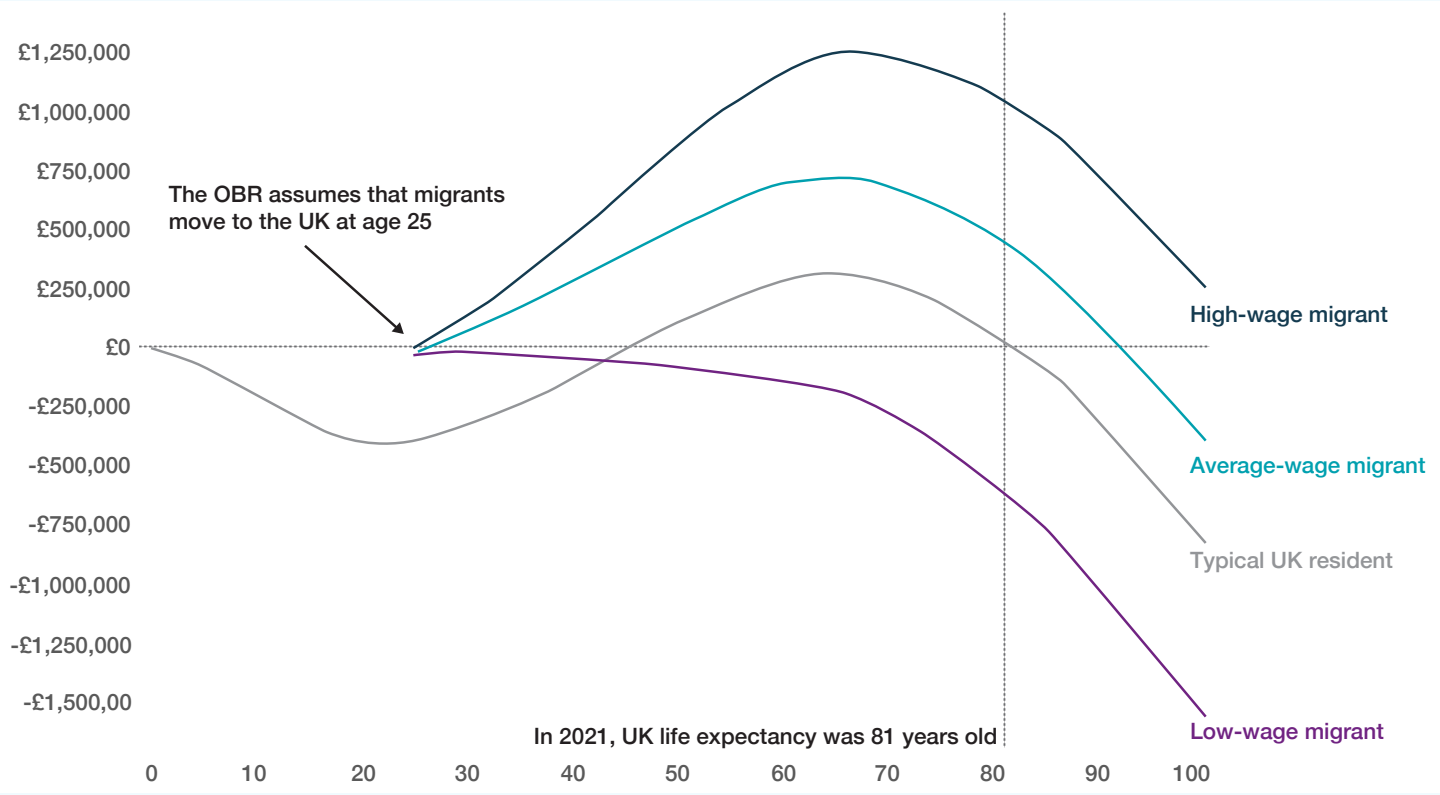
Source: Author's analysis of His Majesty's Revenue & Customs, Payrolled employments in the UK by nationality, region and industry, from July 2014 to December 2023.

Notes: The figures are derived from Pay As You Earn Real Time Information (non-seasonally adjusted) and Migrant Worker Scan (MWS), based on research conducted by HMRC, the UK's tax, payments and customs authority. These statistics cover employments in the PAYE system, and do not include employments from non-payrolled sources such as self-employment.

Fiscal impacts

The Office for Budget Responsibility, the UK's official fiscal watchdog, analysed the impact of rising migration on the UK's public finances. In a series of projections, the body estimated hypothetical migrants' lifetime fiscal impact (Figure 8). It found that a migrant arriving in the UK at age 25 and earning an average salary has a more positive lifetime fiscal contribution than a UK-born worker on the same salary – mainly because, for such migrant workers, the UK does not pay the cost of education and other public services that native workers receive during childhood. These net fiscal contributions are bigger for higher earners. However, the analysis also found that low-wage workers had a negative lifetime fiscal impact.

Figure 8. Cumulative fiscal impacts of migrants and residents in the UK, by scenario and age



Source: Author's analysis of Office for Budget Responsibility, Fiscal risks and sustainability – March 2024, Chart 4.13.

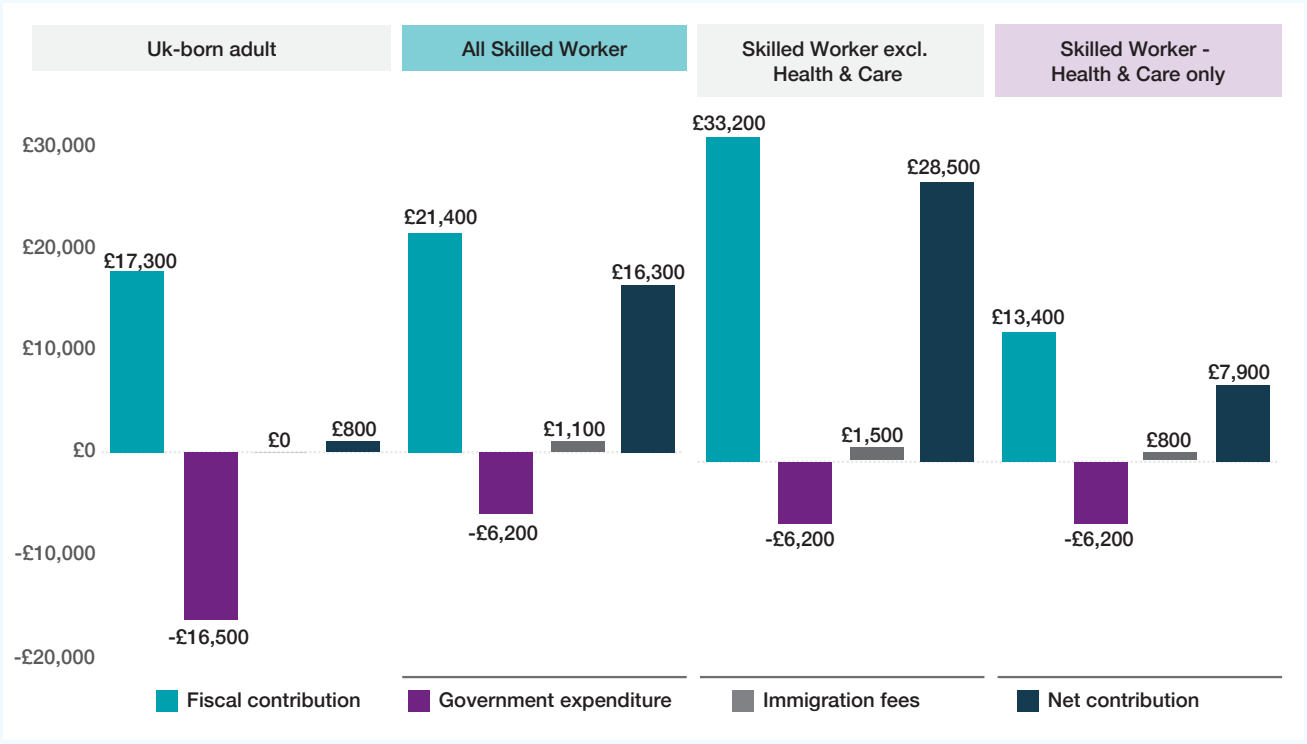
Notes: "Average-wage migrant worker" has the same economic and fiscal profile as a representative UK resident, with two key exceptions: (1) the migrant worker is estimated to pay around £12,500 in visa fees and the Immigration Health Surcharge, (2) they are ineligible for welfare benefits for the first five years of their stay.

The conclusion that the net fiscal contribution varies widely according to a migrant's salary was also found by a December 2024 fiscal analysis of the post-Brexit migration system by the Migration Advisory Committee (MAC). The analysis examined the main work route, Skilled Worker. This route also covers Health and Care visa holders, who are exempt from paying the Immigration Health Surcharge.The analysis presented below focuses on those who entered the UK in the financial year 2022/3 as a main applicant and estimates the average impact of a migrant in this cohort for that year only.

The MAC estimates that in 2022/3, the average migrant on a Skilled Worker visa contributed more through tax contributions (Figure 9, teal bars) than the average UK-born adult. Once government expenditure (purple bars) is taken into account, on average, Skilled Worker migrants had a significantly higher positive net fiscal impact (Figure 9, dark blue bars): £16,300 compared to just £800 for the average UK-born adult.

With all this said, as the Migration Advisory Committee has observed, it is important to recognise that the value of Skilled Workers goes beyond their fiscal contribution. In the care sector, for example, migrant workers fill critical gaps in the domestic labour market in a vitally important sector amidst an ageing population, where the societal value of the workers extends far beyond their net fiscal contribution.

Figure 9. Net fiscal contribution for UK-born adults and Skilled Worker migrants
Fiscal year 2022/23; main applicants only



Source: MAC analysis of Home Office Management Information, April 2022-March 2023.

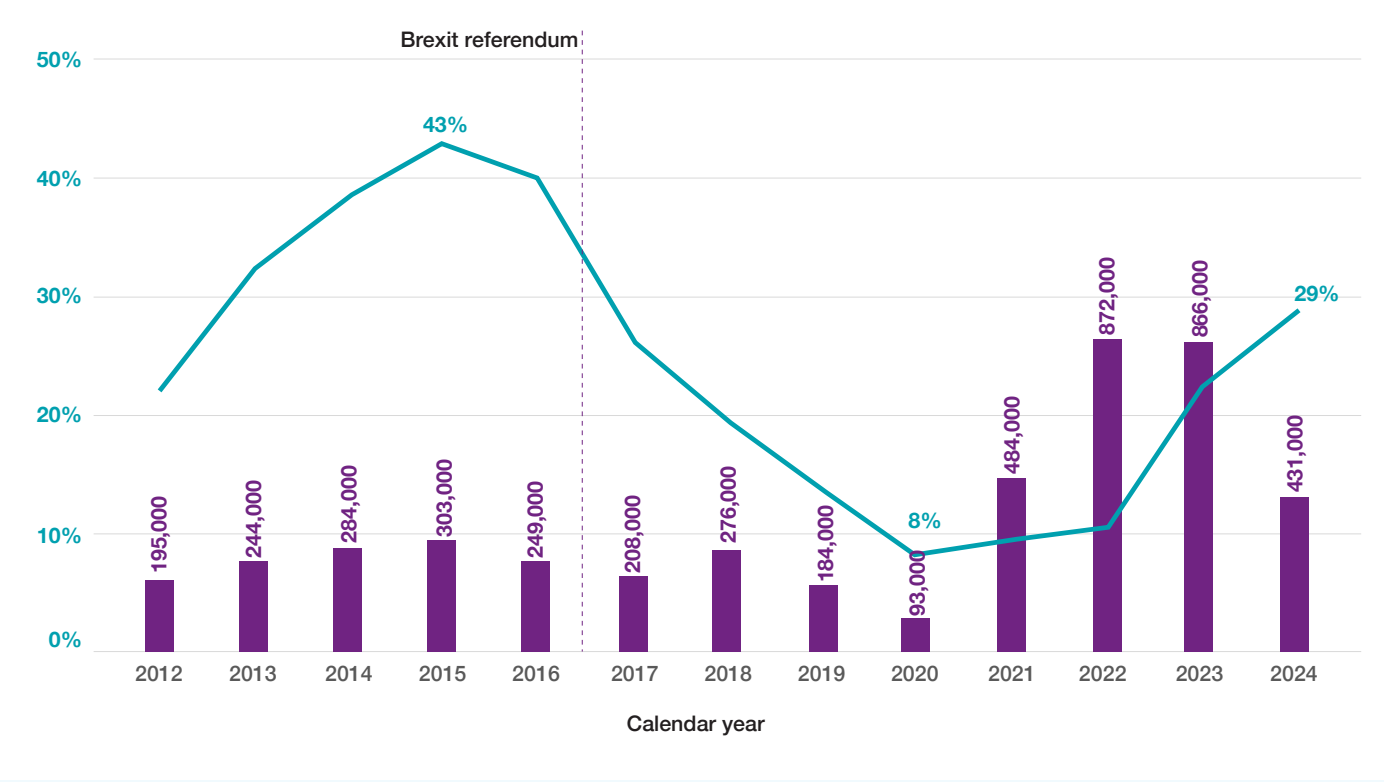
WHAT DO THE PUBLIC THINK ABOUT IMMIGRATION POST-BREXIT?

Immigration in general

There was a major liberal shift in public opinion in the five years after the 2016 Brexit vote, with fewer people seeing immigration as a problem (Figure 10). However, the spike in immigration from 2021 to 2022 has coincided with a partial reversal of this shift.

Findings about "immigration" in general are highly abstract, given that they reflect opinions on a complex system comprising varied types of migration, from work, study, and family to asylum and unauthorised migration. It is therefore helpful to examine more granular statistics.

Figure 10. Immigration as one of the most important issues facing UK peaked before the Brexit referendum - but has risen alongside recent spikes migration
% of the public surveyed that viewed immigration as the most important, or another important issue, facing the UK, 2010 to 2024



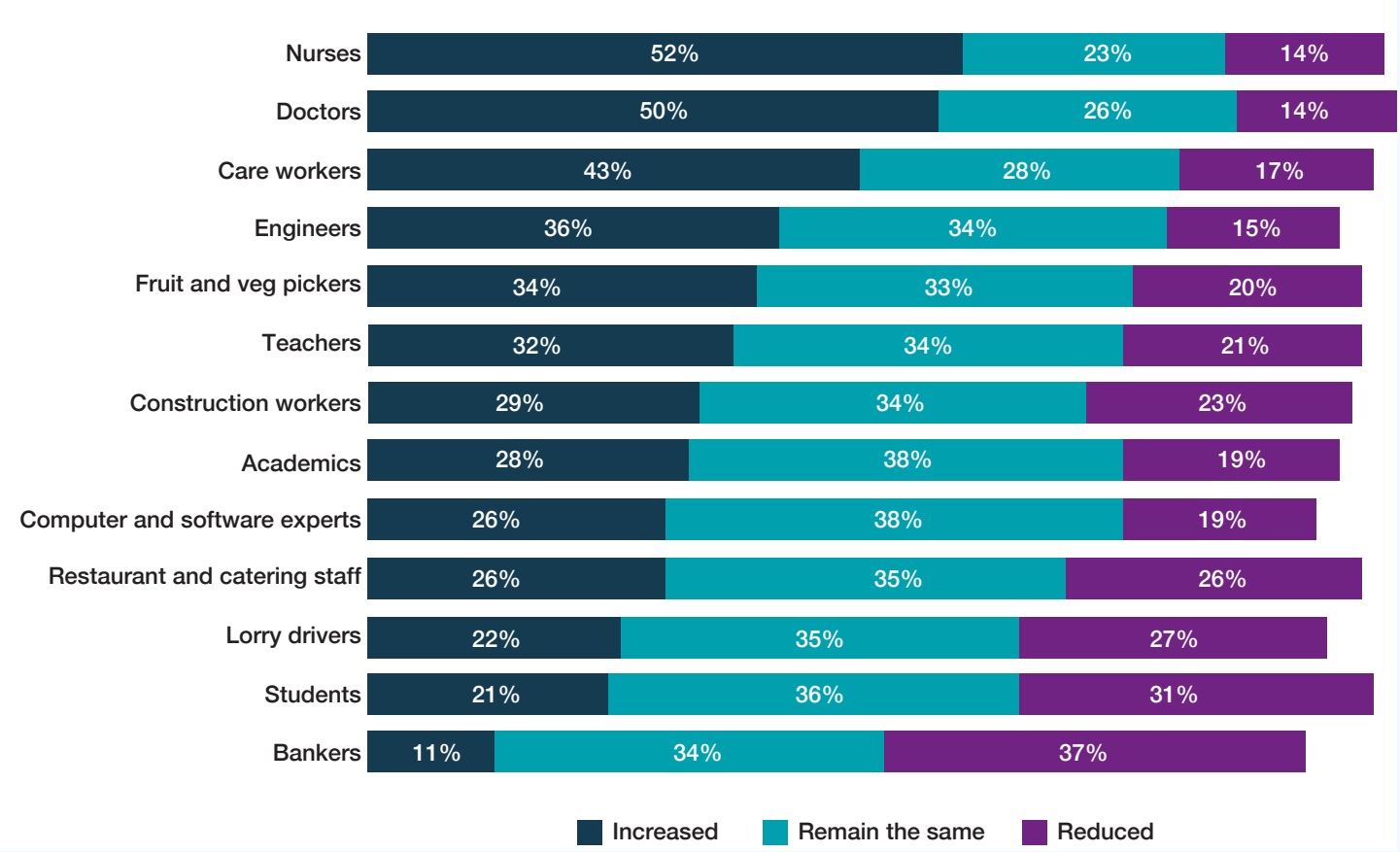
Source: Author's analysis of Ipsos Issues Index; and Office for National Statistics, Long-term international migration, provisional: year ending June 2024.

Notes: The survey is conducted mostly every month each year. The percentages provided are averages for all survey responses across each calendar year and January to November in 2024. Respondents are asked "What would you say is the most important issue facing Britain today?" They are then asked "What do you see as other important issues facing Britain today?" Percentages refer to the share of respondents those naming immigration or immigrants as either the most important issue facing Britain, or another important issue. Respondents are not given a list of issues, so answers are unprompted.

Attitudes towards immigration into particular professions

The Ipsos/British Future immigration tracker has polled the British public on their views of migrant recruitment into twelve different professions – and students (Figure 11). A July 2024 survey revealed strong public support for increased recruitment of migrants into the National Health Service (NHS), social care, engineering, and fruit picking. There was less appetite among the public to see an increase in the number of bankers, students, and lorry drivers.

Figure 11. Would you prefer the number of migrants (from any country) from each of the below groups coming to live in the UK to be increased, reduced, or should it remain about the same?



Source: Ipsos and British Future Immigration Tracker.

Notes: Polled 29 July 2024 to 12 August 2024. Excludes people responding "Don't know". Response options included "Increased a little" and "Increased a lot", which are combined into "Increased" in the chart; and "Reduced a little" and "Reduced a lot", combined into "Reduced".

Conservative restrictions in 2024

In response to record net migration after Brexit, the Conservative government announced in December 2023 a package of restrictions on work and student migration, with the principal aim of reducing immigration to the UK. These included bans on the ability of care workers and one-year master's students to bring their 'dependants' (referring to a partner and children under 18), and an increase to Skilled Worker salary thresholds. These restrictions proved successful, with net migration halving from 2023 to 2024 (Figure 1).

In the year ending March 2025 there were only around 18,000 visas issued to student dependants, 83% fewer than in the previous year (though still 15% higher than 2019).

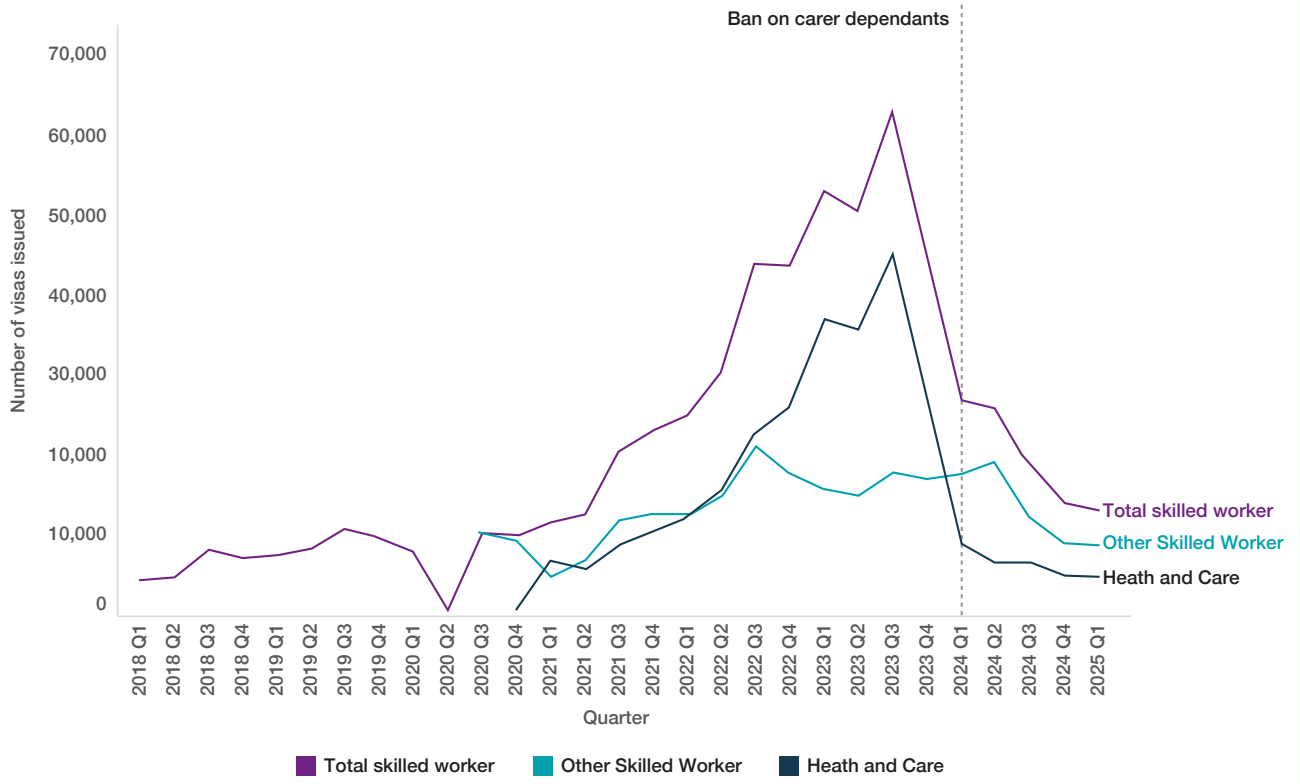
Restrictions of work visas: increased salary thresholds and a ban on carers' dependants

As we have seen, most of the recent growth in work migration reflected people going into the health and care industry, especially after care workers were added in 2022 to the list of occupations eligible for skilled work visas. The increase prompted the Conservative government to introduce new work visa restrictions in early 2024: a rise in the minimum income threshold for a skilled work visa in the private sector (from £26,200 to £38,700), a ban on care workers bringing their partners and children to the UK, and increased scrutiny of employers applying to sponsor care workers' visas.

The number of Skilled Worker visas issued fell by 57% in 2024 compared to 2023 (Figure 12). This was primarily driven by a sharp decline in issuances of visas for health and care work: the number of 'Health and Care Worker' visas issued to main applicants fell by 81% in the year ending March 2025 (compared with year ending March 2024). Dependant visas also fell by 78% over the same period.

The decline in issuances of Health and Care visas was probably not the result of the ban on dependants, which the fall preceded (see Figure 12), but rather the government applying more scrutiny to employers in the health and social care sector.

Figure 12. Skilled Worker visa grants fell by 60% in 2024
Visas issued to main applicants (excluding dependants) per quarter and by Skilled Worker visa type, Q1 2018 to Q1 2025



Source: Author's analysis of Home Office Immigration System Statistics, Entry clearance visa outcomes datasets, Table Vis_D02.

THE NEW LABOUR GOVERNMENT'S MIGRATION POLICIES

The new Labour government, which came to power in July 2024, has retained the previous Conservative government's restrictions on legal migration – and gone even further.

Its May 2025 White Paper, Restoring control over the immigration system, pledged to reduce migration and link visas more closely to skills policy and industrial strategy. Recent changes have restricted the Skilled Worker route to degree-level jobs (as was the case before Brexit), raised salary thresholds, and closed the care worker route to overseas recruitment. The Migration Advisory Committee has been tasked to collaborate with Skills England, the Department for Work and Pensions and the Industrial Strategy Advisory Council to review demand for overseas visas below graduate level, and proactively monitor sectors experiencing skills shortages.

More contentiously, Labour has proposed increasing the residence period required for settlement from five to ten years, with discounts for those deemed to be making economic or social contributions. Details are sketchy, pending a consultation expected towards the end of the year.

It is not yet clear whether its approach will reduce work migration to the UK. Even if the government succeeds in raising domestic skills, this will not automatically translate into less immigration. As the Migration Advisory Committee has suggested, "migrant and domestic workers are not perfect substitutes and employers will often still seek the best possible match for their vacancy, which may be an international recruit."

And importantly, more training would not address high vacancy rates in the care sector, because there the underlying driver of shortages is low pay and poor working conditions – caused in turn by limited government funding – which make it difficult for care providers to retain workers.

Local councils and care providers have warned of acute workforce shortages. The immediate impact has been to turn a sharp decline in legitimate overseas hiring into a formal halt to new recruitment from abroad, though in-country extensions and people switching into care worker roles will be allowed until 2028. Whether promised pay reforms and training can expand the domestic pipeline quickly enough is the central uncertainty—and the principal determinant of whether this policy will reduce exploitation without degrading access to care.

CONCLUDING ANALYSIS

Immigration was a core driver of Brexit, with control over immigration a key demand of Leave voters.

In departing from EU freedom of movement, Brexit did indeed enable the UK government to 'take back control' of migration policy.

Somewhat surprisingly, that control was used to liberalise work and study migration, with the impact of these reforms becoming clear after the UK emerged from the pandemic, with migration rising to unprecedented levels. Paradoxically, more control did not equal less migration, in part because the post-Brexit migration system was operated flexibly to address domestic labour shortages, most particularly through the large-scale recruitment of workers into health and social care. Thus, the post-Brexit system cannot be said to have met its major aim to reduce migration.

The overall effect of Brexit on migration to the UK has been varied. The end of free movement has meant that more EU citizens are now leaving the UK than entering, despite high demand for low-wage workers in the UK. However, this has been more than offset by higher non-EU migration.

Net migration has already halved, as high numbers of students arriving post-pandemic return home, Conservative restrictions on dependants continue to bite, and migration from Hong Kong and Ukraine has waned.

Forecasting migration is highly uncertain. Future trends will depend not only on UK policy but on geopolitical developments. Whatever future migration levels will be, they will be sure to have significant implications for the UK economy, labour market, and public finances. As the Office for Budget Responsibility (OBR) has pointed out, increased immigration is one of the few levers that can reliably deliver higher economic growth in the short term. In particular, OBR's 'low migration' scenario is projected to increase the debt to GDP ratio – the government's key fiscal target – by 2.5% by 2028-29, equivalent to £75 billion.

Whether migration will return to or go much below pre-Brexit levels following recent policy changes remains uncertain. If the government wants to reduce migration levels further, the main challenge it will face is that the 'easiest' cuts have already been made, such as restrictions on student dependants and middle-skilled jobs. Among the migration categories that remain, those that are easiest to restrict are also the most economically beneficial, namely skilled workers and international students.

The decision to close the care route is likely to reduce exploitation in the UK's visa system and might be beneficial to public finances in the long run, given that admitting low-wage foreign workers brings the potential for long-term fiscal costs. However, there are significant social and labour market needs that will need to be addressed.

These post-Brexit developments present the government with three strategic questions.

First, should immigration policy respond to lower-skilled labour needs, such as in social care? Labour's current response is no, and there is a strong case that migration alone cannot address systemic shortages in social care when the binding constraints are funding, pay, and working conditions. The question of how the government will address the pressures in funding and staffing social care has not been resolved – pressures that can be expected to grow as the UK's population gets older.

The second question is whether immigration policy should focus primarily on high-skilled workers? On this, Labour's response is yes. Evidence suggests that sponsored Skilled Worker migrants deliver substantially higher net fiscal contributions on average than UK-born, with contributions rising steeply by wage level. That supports the prioritisation of high-skill, high-wage roles, especially in sectors central to productivity, such as the life sciences, and digital and green industries.

And third, what about international students? These individuals have come to contribute an outsized share to university finances and local economies. They are also usually temporary. Most leave within a few years, though recent cohorts have been more likely to stay, often by switching into work, including previously into the care sector. The Graduate route enhances the UK's offer to international students and has helped universities diversify away from a few key source countries. One potential approach would be to retain the Graduate route but to align post-study work rights with high-skill employment.

In practice, the greater "control" over migration policy afforded by Brexit has meant the UK gained clear levers over who can come, on what terms, and for which jobs. However, that policy control did not translate automatically into less immigration. Ministers initially used these levers to liberalise key routes (notably, lowering skill and salary thresholds for employer-sponsored work and re-introducing post-study work), which combined with strong student and labour demand pushed migration to record levels – before subsequent tightening (higher thresholds, bans on most dependants in some routes, stricter sponsor scrutiny, and closing overseas recruitment for care workers) pulled it down. Operationally, the system relies on 'delegated control' through licensed sponsors; rapid expansion—especially in social care—outpaced enforcement and brought abuse risks, prompting course corrections.

Labour's strategic task now is to use its greater control to optimise migrant composition and integrity of the migration system, in line with its goals to prioritise high-skill migration where the fiscal case is strongest; confine any low-wage routes to narrowly drawn, well-enforced schemes supported by domestic reforms (e.g. training); and maintain an internationally competitive student offer that supports higher education while channelling poststudy transitions into skilled employment. That mix would appear to best align the migration system with Labour's economic and fiscal objectives, while addressing public concern about integrity and fairness.

About the author

Peter William Walsh is Senior Researcher at The Migration Observatory, University of Oxford. His research focuses on UK immigration policy, on which he has authored more than fifty reports and articles, covering family, student, and illegal immigration, as well as detention, deportation, and asylum. Peter received his BA (Social and Political Sciences), MPhil (Modern Society and Global Transformations), and PhD (Sociology) from the University of Cambridge. His co-edited book, From Financial Crisis to Social Change: Towards Alternative Horizons, published by Palgrave Macmillan, is available in paperback.

FURTHER READING

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