

# Business Immigration

A reflection on 2025

2025 was a pivotal year for UK immigration law and policy, with a number of major reforms proposed and implemented by the Labour government in line with their pledge to reduce net migration. These have been described as, Brexit aside, the “biggest overhaul of the legal migration model in 50 years”. They have wide-ranging impact across sponsorship costs, visa eligibility, routes to permanent settlement and employers’ obligations to conduct right to work checks. This business immigration update is a reflection on the most significant changes for our clients over the past 12 months, and a summary of what we might expect in 2026.

### Reform of Indefinite Leave to Remain – “earned settlement”

- The right of migrants to qualify for permanent settlement in the UK after five years of residency (“**Indefinite Leave to Remain**” or “**ILR**”) is a key route to obtaining British Citizenship. It also allows non-UK-citizens to live, work, and study in the UK on a permanent basis.
- The UK Government’s white paper, ‘[Restoring Control over the Immigration System](#)’, published in May 2025 (the “**Immigration White Paper**”), first introduced plans to increase the qualifying period for ILR for new applicants. In November 2025, the Home Office launched a [consultation](#) on the proposed changes, which is due to close on 12 February 2026. The consultation provides further detail around the proposed measures, replacing the current ILR system with a process of “earned settlement” and a baseline qualifying period of ten years, replacing the current five year period.
- The intention is that migrants who demonstrate good conduct, contribution to and integration with UK society will be eligible for ILR with ‘discounted’ qualifying periods, while some migrants will have to wait [up to 30 years](#) to qualify if they entered the UK illegally, overstayed a visa, or rely on benefits. The currently proposed criteria for a shorter waiting time are speaking English to a degree level, having a high taxable income (proposals mention thresholds of £50,270 and £125,240), working in certain public sector roles and community volunteering. Home Secretary Shabana Mahmood has summarised that “*To settle in this country forever is not a right, but a privilege. And it must be earned*”.
- In addition, the UK Government plans to impose stricter baseline conditions on ILR applicants, including in relation to English language and earnings.
- These proposals would impact new migrants to the UK as well as the approximately 2 million migrants who have come to the UK since 2021. They will not apply to those with existing settled status.
- From an employer’s perspective, businesses may have to sponsor employees for much longer periods before they become eligible to work in the UK without sponsorship, increasing costs to significantly greater levels than would have been projected at the point of hiring.
- The proposals are also likely to reduce the UK’s attractiveness to global talent, a key issue where other emerging markets are adopting more liberal immigration systems and incentives. Employees who are currently eligible for ILR should be encouraged to apply as soon as possible, as the changes are intended to be rolled out from as soon as [April 2026](#).

*Businesses should keep a watching brief on the Government’s proposals to double the ILR qualifying period, and review how that might affect their sponsored population.*

### Implementation of the Immigration White Paper

- The Immigration White Paper also proposed broader changes to make it more difficult for foreign nationals to move to the UK for work, many of which have already been implemented throughout 2025.
- The following changes under the Immigration White Paper have already been implemented, or will be implemented by the end of the year:



- **22 July 2025** – The list of jobs eligible for Skilled Worker visa sponsorship was [reduced by over 100 occupations](#), including in the hospitality, childcare, trades, creative arts, agriculture, healthcare and administrative sectors. This has had a significant impact on employers in those industries, with, for example, a ban on sponsoring new overseas workers for jobs in the care sector.
- **22 July 2025** – The ‘job skill requirement’ to qualify as a Skilled Worker was raised from A-level equivalent to degree-equivalent for new applicants, meaning that only degree-level roles remain eligible for sponsorship. The salary requirements were also significantly increased, rising to the higher of £41,700 or the ‘going rate’ for the role. Employers should continue to review the role specifications, skill levels and salaries of new and existing sponsored staff to ensure compliance going forward.
- **16 December 2025** – The [Immigration Skills Charge](#) will shortly increase from £1,000 to £1,320 per worker for the first 12 months for medium and large (defined as per the Companies Act) sponsors, with the charge for each additional six month period increasing from £500 to £660. The charge for small and charitable sponsors will also increase. The charge is payable up-front when assigning a Certificate of Sponsorship to a worker, and this is the first increase since its introduction in 2017. This will be a further cost for sponsoring employers to build into workforce planning, after the 120% increase to Certificate of Sponsorship fees and increases to many visa application fees which came into force on 9 April 2025.

### Timeline

The following changes can be anticipated in 2026 onwards:

- **8 January 2026** – New applicants for Skilled Worker, Scale-up and High Potential Individual visas will need to have Level B2 English (a higher standard than the current Level B1).
- **April 2026** – Indefinite Leave to Remain qualifying periods are expected to significantly increase (see section above).
- **1 January 2027** – New Graduate Visas will only last 18 months, or 36 months if the individual has a PhD, giving graduates less time to find sponsored work after they finish university.

*Employers should revisit plans for sponsorship of overseas workers as 121 roles are cut, skill levels are increased, salary thresholds are raised and the Immigration Skills Charge is increased by 1/3.*

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