Doyle Clayton

Immigration law under the new Labour Government

What changes can employers expect?

Labour has not outlined its immigration proposals or policies with as much clarity or detail as the employment law provisions. However, immigration has been a key topic in the lead up to the election, and Labour has indicated some key priorities for immigration in its manifesto. These are:

Net migration figures

The headline, to much of the conversation on immigration, was Labour's assertion that the UK economy has become overly dependent on workers from abroad to fill skill shortages, resulting in net migration reaching record highs – more than triple that at the last election in 2019.

Like many previous Conservative governments, Labour has pledged to reduce net migration; however it has not indicated a specific target. Instead, it has only committed to ensuring the overall level is "properly controlled and managed".

Labour has not outlined any specific policy proposals for reducing net migration, but its manifesto points to the following key areas of focus:

Reform of the points-based system

Labour has committed to reforming the points-based immigration system so that it is "fair and properly managed". It will aim to place appropriate restrictions on visas by linking immigration and skills policy.

The original "points-based system" was introduced in 2008, with applicants needing to obtain points for various factors such as having an appropriate salary, meeting the English language requirement, and having a Certificate of Sponsorship for a specific appropriately skilled job offer from a sponsor licence holder. The most recent implementation of the UK's "points-based system" took effect on 1 January 2021, following the end of EU freedom of movement on 31 December 2020. Further sweeping changes were implemented on 4 April 2024, with significantly increased salary thresholds introduced in an attempt to reduce net migration.

Given the changes already made in an attempt to reduce net migration, it is unclear how Labour intends to reform the points-based system further. The only detail provided is that the new Government will link immigration policy to skills policy, to ensure that migration to address skill shortages triggers a plan to

upskill workers and improve working conditions in the United Kingdom.

Reducing abuse of the visa system by employers / recruitment agencies

Labour has stated that it will not tolerate abuse of the immigration system by employers or recruitment agencies, and will not stand for breaches of employment law. In particular, employers who flout the rules (for example by abusing the visa system or breaching employment law) will be barred from hiring workers from abroad.

Given the scope of Labour's proposed changes to employment law, it will be interesting to see whether and what specific changes it will introduce in relation to immigration to achieve this stated goal. Currently, UK sponsor licence holders can have their sponsor licence downgraded or revoked for breaches of UK immigration law, as well as face a bar from hiring migrant workers. Employers in the UK can also already be fined up to £60,000 per worker for repeat instances of illegal working.

Changing UK regulatory framework for immigration

Labour has pledged to strengthen the Migration Advisory Committee and establish a framework for joint working with skills bodies across the UK, the Industrial Strategy Council, and the Department of Work and Pensions. It has stated that it will end long-term reliance on immigration in some parts of the economy by bringing in work and training plans, specifically highlighting sectors where upskilling and training for resident workers will be implemented, such as health and social care, and construction. Both sectors have been heavily impacted by the UK's withdrawal from the European Union and face large skill shortages in the UK.

Additionally Labour has outlined a number of commitments to supporting people back into work, such as bringing the Jobcentre Plus and National Careers Service together, and "making work pay". While these proposals are not directly linked to immigration, if Labour is successful in increasing employment across the UK, this may also help to achieve its stated pledge to reduce reliance on overseas workers and ultimately reduce net migration.

Family migration

Labour has provided no detail about its family migration priorities. While comments have been made requesting that the Migration Advisory Committee reviews the minimum income requirement, it remains unclear whether it will continue to increase the minimum salary threshold for family members (visas for the spouses / partners of British nationals) to correspond with the minimum income requirement of £38,700 for Skilled Workers.

Asylum

Labour have been clear that it will not be continuing with the Rwanda policy and will redirect the funds into the asylum backlog.

Labour pledges to "stop the chaos" of the "small boat crisis" by going after criminal gangs, and creating a new Border Security Command with hundreds of new investigators, intelligence officers, and cross-border police officers. Labour has stated it will seek a new security agreement with the EU, hire additional caseworkers to clear the backlog of asylum claims in

the UK, and end asylum hotels. Through negotiations, it aims to set up a new returns and enforcement unit to fast-track removals to safe countries for people who do not have the right to stay in the UK. Given the party's position on Brexit, it will be interesting to see the scope of negotiations and deals offered by neighbouring EU countries as well as other safe countries.

How can Labour achieve its policy aims?

As well as its proposals on immigration policy, Labour has committed to sound money and economic stability. The UK immigration restrictions introduced in April 2024 have made the UK a less attractive option for highly skilled migrants and competitive employers, mainly due to the UK immigration fees making it one of the most expensive immigration systems in the world and the high salary thresholds which disproportionately impact skilled and graduate jobs outside of London.

To address this, Labour could consider the following proposal aims to make the UK truly attractive to the "best and brightest", while investing heavily in upskilling UK workers:

Review and reduce immigration costs:

In particular, the Immigration Skills Charge is currently not ring fenced for its stated purpose and UK visa application fees are comparatively high. Labour could review and reduce inefficient UK immigration costs to make the overall system cheaper to use for employers and migrants, and ensure any levy on sponsorship is ring fenced for upskilling resident workers

Further expansion of Youth Mobility schemes and bilateral agreements:

Especially among European Union countries. These schemes are temporary in nature and therefore do not contribute to net migration numbers, but do facilitate access to labour in otherwise shortage areas. Labour could therefore expand the scope of existing Youth Mobility schemes and / or negotiate new schemes with other countries.

Introduce an unsponsored UK visa type which is attractive to entrepreneurs:

Visa categories such as the Innovator Founder and Scale up visas introduced for this purpose have been comparatively unpopular with third-party endorsement bodies and many business leaders who prefer to retain control over their own companies. Labour could consider introducing a genuinely entrepreneur-friendly visa category which allows businesses to set up in the UK in critical areas and create more jobs for resident workers.

Summary

Despite immigration being a key issue between political parties in the lead up to the election, Labour's pledges have not been as impactful as they could have been in the political debate.

During its time in government, it is hoped that Labour will seek to liaise with businesses, practitioners and the migrant workforce to redress the negative discourse of immigration while also implementing more stable and long-lasting changes that will benefit citizens through upskilling and the creation of new jobs, while also keeping the UK at the forefront of the global market.