

Changes to UK immigration policy - impacts and implications for London

Key information

Publication type: General

Publication date: Thursday 7 December 2023

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Overview

On December 4, 2023, Home Secretary James Cleverly announced a series of changes to the UK's immigration policy.

Key points

- The package of measures included increasing the salary threshold for skilled migrants coming to the UK for work from £26,200 to £38,700, ending the 20% going rate salary discount for shortage occupations and replacing the Shortage Occupation List with a new Immigration Salary List, increasing the minimum income required (to £38,700 from £18,600) for British citizens and those settled in the UK to bring in dependants to join them, increasing the Immigration Health Surcharge (IHS) by 66%, and preventing overseas care workers from bringing their dependents to the UK.
- GLA Economics analysis shows that these changes will particularly impact four key sectors: hospitality, arts/entertainment/recreation (AER) (this includes creative industries), construction, and health/social care. These sectors collectively employ at least 500,000 non-UK nationals in London, all of whom are going to be impacted by this package to varying degrees.
- Data from the 2021 Annual Population Survey would suggest that women, younger job holders, and workers from BAME communities will be disproportionately impacted by these changes.
- To put things in perspective, these sectors collectively contribute approximately £75 billion to London's economy, representing more than 14% of the city's total output. They also employ over a million workers in London. Therefore, the proposed changes are likely to add to existing labour market shortages in these sectors, which would impact London's growth during what is a challenging and difficult economic spell

for the capital and the UK.

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