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**SMITH
STONE
WALTERS**

An **ENVOY**GLOBAL Company

INSIGHT

IMMIGRATION NEWS & VIEWS
FROM SMITH STONE WALTERS
SUMMER 2025

Compliance,
costs, complexity
for employers



THE GOVERNMENT'S WHITE PAPER ON IMMIGRATION HAS DROPPED...

SURPRISE? NOT QUITE

On 12 May 2025, the UK government released a new white paper promising to overhaul the country's immigration system. The aim? To make it more "controlled, managed, and fair" – a phrase that, at this point, feels more like a familiar tune than a startling revelation. If you're a business owner, HR professional, or legal adviser involved in international recruitment, chances are you've been expecting this update for some time. And frankly, the timing couldn't be more predictable.

'This white paper isn't just another set of bureaucratic proposals; it's a blueprint that carries real teeth and could reshape the landscape of UK business immigration for years to come.'



Following Labour's decisive victory last July, Prime Minister Sir Keir Starmer set out his government's priorities: reduce reliance on international talent and focus on developing domestic skills through increased training and education. So, when the white paper finally dropped, it didn't exactly come as a shock.

That said, don't mistake familiarity for insignificance. This white paper isn't just another set of bureaucratic proposals; it's a blueprint that carries real teeth and could reshape the landscape of UK business immigration for years to come. And, unfortunately, those teeth are likely to sink deep into the pockets and processes of UK employers.

WHAT DOES THIS MEAN FOR BUSINESS IMMIGRATION?

You don't need to be a policy expert to see the pattern emerging from this 76-page document. The core message is clear: the system will become more expensive, more complex, and more demanding in terms of compliance. Here are the three key takeaways every employer should be aware of:



1. COSTS WILL GO UP

One of the most immediate and tangible impacts is the rise in sponsorship costs. The Immigration Skills Charge (ISC), introduced in 2017, is set to jump by a staggering 32%. This is not a small adjustment — it’s the first increase in eight years, justified by the government as “aligning with inflation,” but in reality, it’s a significant financial blow.

For medium and large employers sponsoring a worker on a five-year visa, this equates to £6,600 per sponsored individual. That’s a substantial increase that will impact hiring budgets and long-term planning. The government claims these fees help fund skills development and integration programs, but for employers, it’s an additional operational expense to account for.

2. THE SYSTEM WILL BECOME MORE COMPLICATED

The reforms will introduce a host of new requirements and hurdles for employers. For example, the qualifying English language level for Skilled Worker visa applicants and their dependants is set to rise. This means potential delays and additional costs if the main employee or their accompanying dependants need to undertake language training before arriving in the UK.

Additionally, the lengthening of the settlement eligibility period from five to ten years is a game-changer. Companies will need to maintain sponsorship for twice as long, escalating the long-term costs and administrative burdens.

Beyond costs and timelines, there’s the introduction of the Labour Market Evidence Group (LME Group). This new body will gather data on sectors heavily reliant on migration, such as healthcare, engineering, and hospitality. Based on this evidence, the government will require these sectors to develop detailed workforce strategies focusing on increasing domestic participation, skills, and training.

While details are still to be announced, the message is clear: sectors heavily dependent on migrant labour will face increased scrutiny and regulation. Employers will need to demonstrate that they are making efforts to reduce reliance on overseas workers — a process that could be both time-consuming and complex.

3. COMPLIANCE WILL BE MORE RIGOROUS

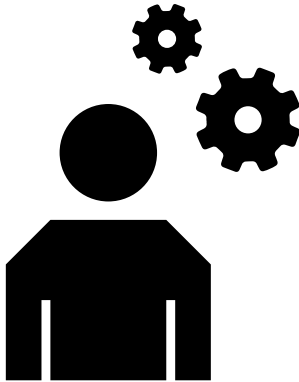
Employers who sponsor migrant workers will face higher expectations and stricter oversight. The rules for issuing Certificates of Sponsorship (CoS) will tighten with the raising of the skill level for sponsored workers to RQF Level 6. Closer scrutiny to ensure the job role matches the skill level and that the individual is genuinely eligible should not be taken for granted.

The Home Office implicitly expects all sponsors to monitor sponsored employees’ immigration status. This includes tracking attendance and reporting any significant changes in circumstances — such as employment termination or visa expiry.

Failure to comply could result in severe penalties, including the revocation of sponsorship licenses. The Home Office has signalled its intention to take robust action against non-compliant employers, including longer cooling-off periods that prevent companies from reapplying for sponsorship licenses for a specified period after violations.

This increased compliance burden underscores the importance of employers establishing robust internal processes for managing migrant workers’ visas, monitoring immigration statuses, and maintaining accurate records.

‘The key takeaway for businesses is: early preparation can make a significant difference. By proactively adjusting your recruitment and compliance strategies, you can mitigate some of the financial and administrative impacts of these reforms.’



WHAT’S THE TIMELINE, AND HOW SHOULD BUSINESSES PREPARE?

The good news: the white paper is still in draft form. It will go through consultation, revisions, and parliamentary approval before becoming law. Some proposals may be implemented within weeks, but others could take months to fully materialise.

This gives UK businesses a window of opportunity. Now is the time to evaluate your current and future immigration strategies. Here are some key considerations:

Accelerate recruitment plans:

If you’re planning to hire overseas workers, consider bringing some of these hires forward. Transferring individuals earlier could help you avoid the upcoming fee increases and extended sponsorship periods.

Review sponsorship processes:

Ensure your internal compliance procedures are up to date. This includes verifying that your job roles meet the new skill and salary thresholds and that your sponsorship documentation is accurate and complete.

Assess your business size:

Government recently revised the definition of ‘small’ businesses (effective 6 April 2025). If your company qualifies, you may be eligible for reduced ISC fees, providing some relief amid rising costs.

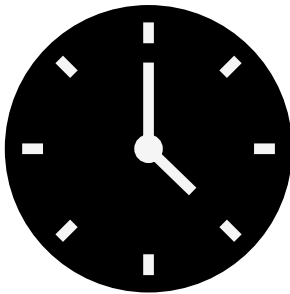
Plan for increased costs:

Budget for higher sponsorship fees and administrative overheads. While it’s tempting to pass costs onto employees, remember that the Home Office has clarified that sponsors cannot do this, so planning for increased employer costs is essential.

Stay informed:

Immigration policies are evolving rapidly. Regularly monitor official updates and consider consulting with legal or immigration specialists to navigate the changing landscape.

The key takeaway for businesses is: early preparation can make a significant difference. By proactively adjusting your recruitment and compliance strategies, you can mitigate some of the financial and administrative impacts of these reforms.



Need help navigating these changes?

Smith Stone Walters is here to support you. Contact our team of immigration specialists to review your current strategies, understand upcoming requirements, and develop a tailored plan to adapt to the new immigration landscape.



A CHANGE IS GONNA COME

Last month’s published white paper set out the government’s aims of significant change to the existing UK immigration system. Some changes are likely to be implemented sooner rather than later whilst others will be finalised after further consultation. In this Special Focus we therefore look to tackle the practical changes that are likely to impact sponsors, workers, families and students in the coming months.

Smith Stone Walters specialises in supporting employers with their global immigration needs. Contact us today to learn more about our services.

RAISED SKILLED LEVEL



The threshold for Skilled Worker visas will be raised back to RQF Level 6 and above. The current threshold of RQF Level 3 (A-level equivalent) and above has been in place since 2020. It is estimated that approximately 180 current occupations will be ineligible for future sponsorship.

32% UPLIFT IN SKILLS CHARGE



The white paper announced an impending 32% increase in Immigration Skills Charge (ISC). This is the first increase to the ISC since its introduction in 2017. The charge on employers will increase from £1,000 per year of sponsorship to £1,320 for medium or large sponsor or from £364 to £480 per year for small or charitable sponsors.

CITIZENSHIP ELIGIBILITY



New reforms to citizenship will be introduced to align to earned settlement reforms, building on the expansion of the Points-Based System to settlement and citizenship. Individuals will have the opportunity to reduce the qualifying period to settlement and citizenship based on contributions to the UK economy and society.

INCREASE IN SALARY LEVELS



In line with the raising of the skilled worker skills threshold, an increase in the salary thresholds is also anticipated. The government has promised that further details will follow. Once introduced, the new salary levels will not apply to existing Skilled Worker visa holders seeking to extend their stay.

ENHANCED ENGLISH STANDARD



Skilled workers will need to meet an increased English language level, moving from B1 level to B2 (equivalent to A Level or Higher exams). An English language requirement will also be introduced for new dependants, who will need to meet A1 level (Basic User). This will add an additional step in the process for dependants and may result in longer lead-in times for submission of applications.

GRADUATE CATEGORY



The Graduate visa category will only permit graduates to remain in the UK for 18 months (down from the current 2 or 3 year periods). The Government will also explore the introduction of a 6% levy on higher education provider income from international student tuition fees.

TEMPORARY SHORTAGE LIST



Where there are long term shortages for occupations with a skills requirement below degree level, a new Temporary Shortage List will be created to provide time limited access to the immigration system. Restrictions on visa terms and conditions, including time limits and caps on the number of visas, will be agreed in consultation with the Migration Advisory Committee (MAC).

10 YEAR SETTLEMENT CATEGORY



The current 5-year standard qualifying period for settlement for Skilled Worker visa holders will increase to 10 years. However, the announcement did not confirm whether this change will be retrospective and therefore impact those migrant workers already in the country. Either way, the cost of sponsorship will increase significantly for those employers who seek to sponsor workers until they are eligible for permanent residence.

FAMILY MIGRATION



A new family policy will be set out before the end of this year to cover all UK residents including those who are British, settled, on work categories or refugees seeking to bring family members to the UK. This will cover financial based conditions as well as the appropriate level of English language skills required.

HAVE YOU SECURED YOUR E-VISA?



If you’re an overseas national with permission to stay in the UK for more than six months, or if you hold indefinite leave to remain (also known as settlement), it’s essential to have an eVisa to verify your identity and residency status in the UK.

From 18 March 2024, the Home Office has been advising individuals with biometric residence permits (BRPs) dated to 31 December 2024—including those with permission to remain or re-enter the UK beyond that date—to create a UKVI account. This account provides access to your eVisa, a digital proof of your immigration status.

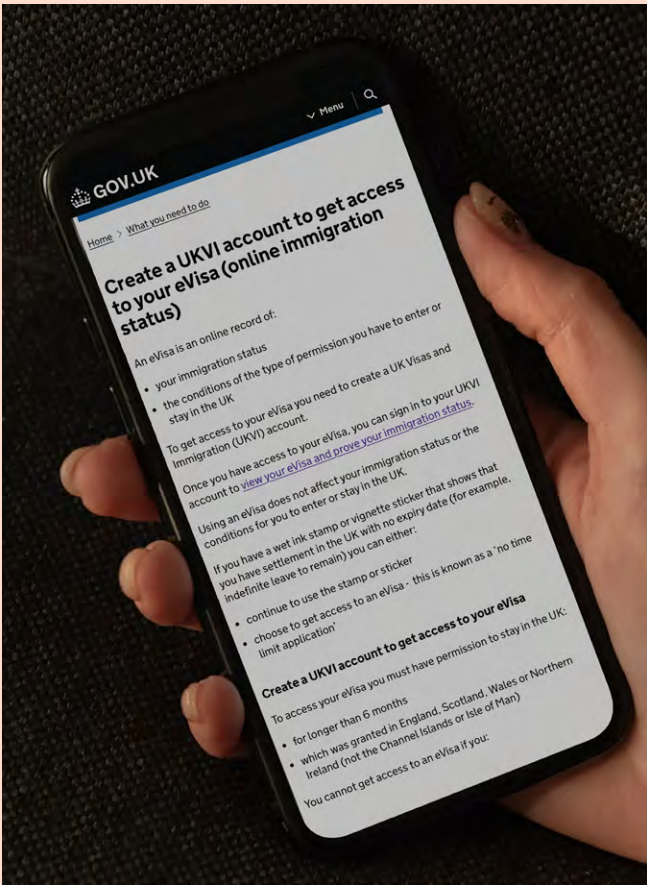
Additionally, from 31 October 2024, when the Home Office phased out the production of physical BRPs, anyone with permission to stay in the UK for more than six months has been encouraged to create a UKVI account to access their eVisa.

The Home Office keeps a record of all UKVI account creations. As of the end of 2024, there have been approximately 3.8 million accounts created—covering existing accounts from previous applications, as well as those with expired visas.

By the end of April 2025, it’s estimated that around 300,000 individuals still needed to create their UKVI accounts. Most of these are people whose BRPs expired at the end of 2024 and who may not yet have completed the necessary steps.

DON’T DELAY: SECURE YOUR EVISA TODAY!

If you haven’t yet created your UKVI account, now is the time to act. Ensuring your eVisa is in place will help you avoid potential complications and maintain seamless access to the UK. Visit the official GOV.UK website to set up your account and verify your status — peace of mind is just a few clicks away.



UK VISA PROCESSING TIMES



The Home Office has agreed customer service standards in place for visa processing times and aims to provide a decision on most applications within these set timeframes.

Your visa’s processing time starts once you have submitted your application online and verified your identity either by attending an appointment at a Visa Application Centre (VAC) or by using the ‘UK Immigration: ID Check’ app, and ends when you get an email or letter from the Home Office notifying you of the outcome.

HOME OFFICE SERVICE AIMS

Home Office aims to process non-settlement applications within 15 working days (3 weeks) and settlement applications within 120 working days (24 weeks) under standard processing times. However, this isn’t always the case.

There are occasions where it may take longer to get a decision on your application. This includes when you need to provide further evidence or attend an interview, and when the Home Office decides that your application is “not straightforward” and therefore it is not possible to decide your application within the customer service targets. If this happens, the Home Office will usually notify you by email.

‘PRIORITY SERVICES’ TO AVOID DELAYS

Depending on the service availability and the visa category you are applying under,

UK VISA PROCESSING TIMES PUBLISHED MAY 2025

VISA APPLICATION TYPE	APPLYING INSIDE THE UK	APPLYING OUTSIDE THE UK
Skilled Worker	8 weeks	3 weeks
Health & Care Worker	3 weeks	3 weeks
Temporary work visas	8 weeks	3 weeks
Visit visas	8 weeks	3 weeks
Student visas	8 weeks	3 weeks
British National (Overseas)	12 weeks	12 weeks
Family visas - Partner / Spouse	8 weeks	12 weeks
Start-up Business Work visas	3 weeks	3 weeks

you may have the option to pay for faster processing through ‘Priority’ or ‘Super Priority’ services.

With the Priority service, you can typically expect a decision within 5 working days, or up to 30 working days for Family visa applications from outside the UK. If you choose the Super Priority service, you will usually receive a decision by the end of the next working day.

If your application is urgent, Smith Stone Walters recommends using the Priority or Super Priority services where they are available.

Most importantly, avoiding visa delays mainly depends on the quality and the

accuracy of your application. We strongly advise double-checking that you have provided all the required information and supporting documents, and that all details are correct.

Missing or incorrect information is one of the main causes of processing delays and refusals—often an avoidable issue. Ensuring your application is complete and accurate the first time gives you the best chance of securing your visa as quickly as possible.

If you need assistance with your UK visa application, Smith Stone Walters can help. To speak with a qualified immigration advisor about your requirements, please contact us today

THE CHANGING LANDSCAPE OF UK IMMIGRATION

In 2024, there were notable shifts in the number of journeys to the UK. During the year, approximately 845,702 journeys to the UK were initiated by non-UK citizens (excluding tourist visits). This represents a significant 35% decrease compared to 2023, which saw around 1.3 million journeys - similar to the number in 2022. Although this drop is substantial, the 2024 figures remain well above pre-pandemic levels.

THE IMPACT ON WORK VISA TRENDS

One of the most immediate indicators of these changes is in work-related visas. Starting in April 2024, the UK implemented a significant increase in the general salary threshold for the Skilled Worker category — rising from £26,200 to £38,700 (excluding some exemptions). This steep increase effectively raises the bar for sponsorship eligibility, particularly impacting lower-paid roles and sectors.

Additionally, policy changes included a ban on care workers and senior care workers from bringing dependants, further tightening rules in certain sectors.

As a result, in 2024, the UK granted 210,000 work visas to main applicants across all categories—representing a 37% decline from the previous year. This decrease reflects the broader impact of stricter requirements and higher thresholds.

However, there was one notable exception within the work category: the number of ‘Temporary Worker’ visas nearly doubled compared to previous years, reaching 78,000 grants—almost twice the number issued in 2019. This surge is largely driven by growth in the ‘Seasonal Worker’ visa category. These jobs now attract more non-EU migrants post-Brexit.

TRENDS IN STUDY AND FAMILY VISAS

The education sector also experienced a slowdown, with 393,000 sponsored study visas granted in 2024—down 14% from 2023. This decline was anticipated following the rule introduced on 1 January 2024, which prevented most international students from bringing dependants to the UK. Naturally, this policy change has impacted overall student mobility.

On the other hand, family migration continues to grow despite stricter income requirements. Last year, 86,000 family-related visas were granted—an increase of 7% from 2023 and more than double the number from 2021. Notably, the minimum income threshold for partner visas was raised to £29,000. Despite this, applications in this category remain resilient, indicating ongoing demand for family reunification.

WHAT DO THESE FIGURES MEAN FOR THE FUTURE?

The data paints a clear picture: stricter immigration rules and policy reforms early in 2024 have led to a significant decline in applications across key categories—work, study, and family. The decline doesn’t necessarily signal a permanent retreat but rather a period of adjustment as the UK’s immigration framework continues to tighten.

With further reforms already on the horizon, it’s expected that 2025 will see a continuation of this evolving trend. As the UK’s immigration landscape becomes increasingly regulated, now is the time for your organisation to adapt its mobility strategies and ensure compliance.

‘Additionally, policy changes included a ban on care workers and senior care workers from bringing dependants, further tightening rules in certain sectors.’

Contact us today to discover how our expertise can help you navigate immigration changes smoothly and keep your international talent moving seamlessly.



WHAT OUR CLIENTS SAY ABOUT US!

At the heart of everything we do is a commitment to deliver a WOW experience for our clients. Our dedicated immigration team has been working tirelessly to craft successful visa solutions and deliver swift results, ensuring our clients reach their goals seamlessly. Here's a selection of the inspiring feedback we've been proud to receive recently:

"It was an exceptional service from Phill, who was fast at responding to queries. It was indeed a professional and hassle-free service."

AI Hotel group

"Incredible speedy and efficient service - thanks very much Phill for the robust and efficient service!"

RR Investment firm

"Amazing service by the team. Their knowledge, promptness, thoroughness was amazing."

KS Private client

"Corina has been incredibly kind and extremely quick in assisting me. In less than a week, we activated the visa procedure and even obtained the approval. I would highly recommend working with her to everyone!"

CB Investment firm

"It was a great visa experience. Very proactive and smooth."

DS Oil sector

"Your diligence and commitment are really impressive, thank you!"

IT Telecoms firm



“
WOW
”

“
HASSLE-FREE
INCREDIBLE
EFFICIENT
EXCEPTIONAL
AMAZING
GREAT
DILIGENCE
”

TEAM ENVOY FUNDRAISE ON LONDON LEGAL WALK!



A combined team from Envoy Global and Smith Stone Walters were delighted to participate in the 2025 London Legal Walk, an event dedicated to raising funds for the London Legal Support Trust (LLST). LLST supports free legal advice centres across London and the South East, helping those in need to access vital legal assistance.

As the largest fundraising event in the legal calendar, the walk saw an exceptional turnout. Our team joined thousands of other legal professionals in walking 10 km through the streets of London.

Since the inaugural London Legal Walk in 2005, over £11.5 million has been raised. In 2024 alone, more than 12,000 people received life-changing legal advice thanks to the support of LLST.

If you'd like to help ensure that everyone has access to justice, you can make a donation by contacting info@llst.org.uk

SMITH STONE WALTERS PROUDLY SPONSORED THE 2025 GLOBAL HR CONFERENCE

Smith Stone Walters was delighted to sponsor the prestigious 2025 Global HR Conference, hosted by International HR Adviser. The event took place on Monday, 16 June 2025, at The Royal Automobile Club on Pall Mall, London, drawing senior global HR professionals from around the world.

The conference offered a dynamic afternoon filled with inspiring seminars, expert insights, and invaluable networking opportunities. Attendees explored the latest trends, strategies, and best practices in global mobility, all tailored to leaders shaping their organisations' international workforces.

The full event programme included a presentation Smith Stone Walters' employees. Our session focused on the rollout of new digital travel systems in both the UK and EU and was very well received by those in attendance.

Overall, the 2025 Global HR Conference successfully provided attendees with actionable insights and fostered meaningful connections among industry leaders. We are proud to have been part of such an impactful event and look forward to continuing to support innovative discussions shaping the future of global HR.



SPAIN – NEW IMMIGRATION REGULATIONS COME INTO FORCE

On 20 May 2025, significant updates to Spain's immigration and residence laws took effect, following the publication of Royal Decree 1155/2024 in the Official State Gazette (BOE) on 20 November 2024. These changes aim to streamline procedures, enhance rights for migrants and their families, and modernise Spain's immigration system. Applicants who submitted their applications before this date will still be processed under the previous regulations.



'The validity of the visa for descendants of Spanish nationals and those seeking employment in approved sectors has been extended from three to twelve months, offering greater flexibility for job search.'

Key highlights of the new regulations:

- **Work Permits:** Initial work permits will now be issued for one year (previously ranging from six to twelve months). Renewals will extend to four years (up from two). For long-term residence, permits granted to foreign nationals aged 30 or older will now be valid for ten years, doubling the previous five-year period.
- **Self-Employment:** Work permit holders are now permitted to engage in self-employment without needing prior authorisation, providing greater flexibility for entrepreneurs and freelancers.
- **Family Reunification:** A new five-year family reunification permit has been introduced for non-EU relatives of Spanish nationals, with immediate work rights. Eligible family members include spouses, registered and unregistered partners, dependant children, and dependant parents and grandparents.
- **Expanded Family Reunification Criteria:** The age limit for dependant children eligible for reunification has increased from 21 to 26 years. Additionally, unmarried partners can now qualify by demonstrating a stable relationship—typically through at least 12 months of cohabitation or shared children.
- **Student Employment:** Students are now allowed to work up to 30 hours per week while studying, providing valuable opportunities to gain work experience alongside their education.
- **Regularisation ("Arraigo") Improvements:** The process for regularising undocumented migrants has been expanded to include more groups. Individuals with at least two years of residence in Spain (previously three) and strong social, familial, work, or training ties can now apply. These permits generally include the right to work immediately, making regularisation more accessible.
- **Extended Job Seeker Visa:** The validity of the visa for descendants of Spanish nationals and those seeking employment in approved sectors has been extended from three to twelve months, offering greater flexibility for job search.

While these reforms promise to make Spain's immigration system more accessible and responsive, it may take several months for all the changes to be fully implemented across the country.

For expert advice on relocating assignees to Spain, contact us today. Envoy Global's Spanish Immigration Director, Cristina Lagoma, has over 15 years of experience in Spanish immigration and would be delighted to assist you.



*'Partner with us and experience
a proactive, reliable approach to
global mobility that keeps your
business ahead of the curve..'*

OUR GLOBAL IMMIGRATION SOLUTIONS

We are proud to be part of Envoy Global, a global leader in immigration services. Through the strategic partnership between Smith Stone Walters and Envoy Global, we can deliver exceptional service and an improved overall experience for all stakeholders involved in the immigration process.

With in-house practices across key regions—including Canada, Ireland, the UK, France, the UAE, and Singapore—Envoy Global collaborates with over 1,750 companies across diverse industries worldwide.

Our team of international immigration experts possess extensive experience spanning multiple industries and geographies. We support organisations of all sizes in achieving their talent acquisition, retention, and deployment goals by delivering tailored solutions that address each client's unique needs.

Whether assisting with H-1B visa sponsorships or providing strategic guidance for immigration programs in the United Kingdom, we have the expertise to help your business stay compliant and continue moving forward.

At Envoy Global, we are committed to delivering a consistent, high-quality service. That's why we assign dedicated account teams to offer strategic advice and handle day-to-day immigration queries.

With direct access to legal professionals, your employees receive the support and clarity they need—ensuring a smooth and seamless immigration experience for your organisation.

Partner with us and experience a proactive, reliable approach to global mobility that keeps your business ahead of the curve.

PROGRESSIVE ROLLOUT OF THE ENTRY/ EXIT SYSTEM (EES) ANNOUNCED

On 19 May 2025, the European Parliament and the European Council reached a historic political agreement on the European Commission's proposal to gradually implement the Entry/Exit System (EES). This milestone paves the way for a smarter, more secure, and user-friendly border management framework across the Schengen Area.

This phased approach will enable member states to gradually harness the full benefits of the EES, giving border authorities, the transport industry, and travellers additional time to adapt to the new procedures.

The EES is a cutting-edge IT system designed to digitally record essential travel data, including the traveller's name, travel document type, biometric identifiers (such as fingerprints and facial images), and details of entry and exit dates and locations. This innovative system marks a significant step forward in border management.

Once fully operational, the EES will modernise external border controls by streamlining procedures, enhancing security, and reducing identity fraud. It will also make travel smoother for travellers and strengthen the security of the Schengen Area. Notably, after the initial rollout, the system will automatically identify overstayers across all participating countries — providing authorities with vital information to uphold border integrity.

NEXT STEPS

The Regulation now requires formal adoption by both the European Parliament and the European Council. Following approval, it will enter into force three days after its publication in the EU's Official Journal, bringing the benefits of a secure, efficient, and modern border management system closer to reality.

If you have questions regarding entry requirements into Europe, Smith Stone Walters can help. To speak to an immigration expert, please contact us today

FOCUS



UK IMMIGRATION COSTS ARE RISING: WHAT EVERY BUSINESS MUST KNOW

Big changes are on the horizon that could significantly impact your hiring and sponsorship costs. The UK government’s latest white paper, Restoring Control Over the Immigration System, signals a sharp increase in fees associated with sponsoring overseas workers. For businesses relying on international talent, understanding these reforms is crucial to avoid unexpected expenses and plan effectively.



In this edition of Focus, we explore how these reforms will impact the cost of securing a Skilled Worker visa and what UK businesses should consider if they regularly sponsor migrant employees.

IMMIGRATION SKILLS CHARGE – WHAT’S CHANGING

Since its launch in 2017, the Immigration Skills Charge (ISC) has remained steady—until now. The recent Home Office proposals include a substantial 32% increase to this fee.

HOW DOES THE ISC WORK?

The ISC fee must be paid when you assign a Certificate of Sponsorship (CoS) to a worker under the Skilled Worker or Senior or Specialist Worker categories, unless an exemption applies. The amount varies based on your business size and sponsorship duration:

- **Large sponsors:** £1,000 for the first 12 months, plus £500 for each additional 6 months.
- **Small sponsors:** £364 for the first 12 months, plus £182 for each additional 6 months.

ARE YOU A ‘SMALL SPONSOR’?

To qualify as a ‘small sponsor’ and pay a reduced ISC charge, a UK business must meet the criteria set out in sections 381 to 384 of the Companies Act 2006. As of 6 April 2025, the relevant qualifying financial thresholds for small companies have increased, enabling an estimated 14,000 companies to be reclassified from medium-sized to small - potentially saving thousands in ISC fees.

The table below sets out the new ‘small’ company size threshold. A company is classified as small if any two of the three criteria are met in a given financial year.

SMALL COMPANY SIZE THRESHOLD	PREVIOUS THRESHOLD	NEW SINCE APRIL 6 2025
Turnover not more than:	£10.2m	15m
Balance sheet total* not more than:	£5.1m	£7.5m
Monthly average number of employees, not more than:	50	50

* i.e., total assets



QUICK TIP:

Check whether your business size is classified correctly on your sponsor licence. A simple review could lead to significant savings, especially if your company’s size has changed recently. If your status should be reclassified, you should notify the Home Office as soon as possible.

A PERFECT STORM ON THE HORIZON

The White Paper also proposes extending the qualifying period for settlement from five to ten years for the Skilled Worker category. Combine this with the upcoming ISC fee increases, and the costs for UK employers and migrants are about to skyrocket.

WHAT DOES THIS MEAN IN REAL TERMS?

For a large sponsor supporting a worker for a decade, the combined visa costs could reach over £26,000 per employee. Even this estimate is based on the unlikely assumption that the Home Office will not announce any further increases during the next decade.

While the Home Office clarifies that employers cannot pass specific employer-based costs onto sponsored workers, many companies choose to cover all visa and relocation expenses—including those linked to dependants. Once these reforms roll out, some businesses may rethink their policies, potentially making employees shoulder more of these costs.



HOW MUCH WILL IT COST YOUR BUSINESS?

Let's break it down:
Sponsoring a worker for 10 years could cost over £26,000, factoring in all the associated fees.

Covering dependants—spouses and children—adds to this expense. Visa fees for dependants mirror those of the main applicant, meaning costs quickly escalate.

For example, visa fees for a partner and two children could total over £4,500, which employers are not mandated to pay but may choose to cover.

WHAT'S THE TAKEAWAY?

Many organisations absorb these costs as part of their talent acquisition and retention strategies. However, rising expenses are prompting some to reconsider their international mobility programs.

'The landscape of UK immigration costs is changing dramatically. For businesses that rely on sponsoring overseas talent, understanding these upcoming reforms—and planning accordingly—will be crucial.'

ADDITIONAL COST CONCERNS:

Another major expense is the IHS, designed to contribute to NHS funding. This fee is levied on most UK visa applications and layered on top of other Home Office immigration fees. It adds **£1,035 per year per person** for Skilled Worker visa applicants, or **£776 per year for each dependant child**. Even if you provide private health insurance for your assignee, the IHS still applies and must be paid by the individual. Over ten years, this surcharge amounts to:

- Over **£10,000** for a single employee
- Over **£36,000** for a family of four

If your company currently chooses to cover these costs on behalf of its assignees, it might be time to reassess whether employees should contribute, partially or fully, to reduce overall expenses.

MANAGING RISING COSTS: WHAT ARE YOUR OPTIONS?

- With costs climbing, organisations must develop strategic responses:
- **Review and update your sponsor classification** to ensure you're paying the correct fees and avoid overspending.
 - **Communicate transparently** with employees about potential relocation costs, including NHS surcharge and visa fees. The key is to ensure your assignees understand what relocation costs they are expected to cover and when.
 - **Consider cost-sharing arrangements**—whether through salary adjustments or employee contributions—especially for dependants. Do bear in mind, some fees such as the certificate of sponsorship and ISC must always be met by the employer.
 - **Evaluate alternative mobility strategies**—such as remote working or shorter sponsorship periods—to limit exposure to rising expenses.

IN SUMMARY:

The landscape of UK immigration costs is changing dramatically. For businesses that rely on sponsoring overseas talent, understanding these upcoming reforms—and planning accordingly—will be crucial. Proactive management can help mitigate financial strain and ensure a smooth transition in this new, more expensive immigration environment.



If you'd like further details or tailored advice, consult official UK government resources or speak with our immigration specialists to navigate these upcoming changes effectively.

PROJECTED UK VISA COSTS FOR
10-YEAR SKILLED WORKER VISA

SKILLED WORKER

Application fee	£1,519
ISC	£13,200
IHS	£10,350
Certificate of Sponsorship	£525
Total:	£25,594

SKILLED WORKER
+1 DEPENDANT

Application fee	£3,038
ISC	£13,200
IHS	£20,700
Certificate of Sponsorship	£525
Total:	£37,463

SKILLED WORKER
+3 DEPENDANTS

Application fee	£6,076
ISC	£13,200
IHS	£36,220
Certificate of Sponsorship	£525
Total:	£56,021

*Calculation based on existing Home Office fees associated with large sponsor

Smith Stone Walters' new partnership with Envoy Global means we can now offer an even greater scope of corporate immigration services that empower businesses to navigate global immigration with ease.

Together we provide innovative solutions that streamline the management of your workforce's international movements, ensuring smooth relocations and driving unparalleled business success.

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