

The importance of Indefinite Leave to Remain to London and its economy

Key information

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Contents

[Overview and Key Points](#)

[Download the note](#)

Overview and Key Points

This paper analyses the overall importance of Indefinite Leave to Remain (ILR) to London and its economy, and models the implications of policies that reduce, limit or end access to ILR.

Key Points:

- Indefinite Leave to Remain (ILR) is the legal term for permanent settlement in the UK. Londoners with ILR are legal residents in the UK without any immigration restrictions. They no longer have to apply for short-term visas, and can access the social security net if they need it and are eligible for support.
- The Government has set out a range of policy proposals that will have an impact on ILR, including lengthening the time it takes to apply, preventing ILR holders from having recourse to public funds and increasing the thresholds that residents must meet to qualify.
- Opposition parties have set out a range of options, including the Conservative Party's proposals to restrict access to ILR, and the Green Party's proposals to reduce all routes to five years only. Reform have announced they plan to abolish ILR if the party wins the next election.
- Non-UK nationals make a significant contribution to London's economy.
 - Non-UK nationals accounted for 42% of payrolled employments in London in December 2024, accounting for 1.98 million employments out of the 4.69 million total employments in London, up from 1.38 million out of 3.93 million 10 years earlier.
- While there is no dataset providing the number of individuals who have or may be eligible for ILR in London, estimates based on 2021 Census figures would suggest that anywhere between 526,000 and 627,000 non-UK passport holders who could meet these conditions were in employment at the time.
 - Using data on the productivity of each economic sector in London (gross value that is contributed to the economy per job), the estimated total economic contribution these individuals make per annum ranges from approximately £50 billion to £61 billion.

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[Back to table of contents](#)