

Migration Pact and Financial Reform Signal Shift in UK Political Priorities

July 16, 2025

— Categories: Politics & Government



This week's political developments have highlighted a notable shift in Westminster's priorities, as the government takes action on migration, financial regulation, and longstanding security oversights.

Chancellor Rachel Reeves used her Mansion House speech to call for the removal of outdated regulations in the financial services sector. She

criticised burdensome red tape as a “boot on the neck” of enterprise, pledging reforms to simplify mortgage lending, improve accessibility of cash ISAs (Individual Savings Accounts), and expedite decisions within the City. The push mirrors long-standing calls from the Conservative benches to prioritise competitiveness and economic growth.

Meanwhile, Prime Minister Sir Keir Starmer has reached a deal with French President Emmanuel Macron for a limited migrant returns arrangement. Under the agreement, a modest number of illegal arrivals in small boats will be returned to France in exchange for accepting legal migrants via official routes. While the deal is narrow in scope, it is being positioned as a first step towards restoring order to the UK’s asylum system. Critics, however, argue that it lacks the scale needed to meaningfully deter organised smuggling operations.

In a separate development, a previously undisclosed data breach involving thousands of Afghan nationals who worked alongside British forces has come to light. The Ministry of Defence withheld details of the breach, affecting over 19,000 individuals, for more than two years. Since the leak, around 900 Afghans and over 3,600 of their family members have been resettled under a covert Afghanistan Response Route, at an estimated cost of £850 million. Following intense criticism in Parliament, Defence Secretary John Healey has issued an apology and confirmed the programme’s closure.

Reform UK also remains in the spotlight, with growing local support putting pressure on the Conservative Party. Former Tory minister James Cleverly has warned that Reform risks becoming a platform for disgruntled former Conservatives rather than a credible political

alternative. His remarks reflect internal concern about voter migration on the right of the political spectrum.

Taken together, these events reflect a broader right-leaning policy shift, despite the Labour leadership. The focus on deregulation, firm border management, and increased transparency on defence matters aligns with longstanding Conservative priorities, even if not formally acknowledged by the current government.

As the political narrative evolves, pressure is mounting for the government to deliver tangible outcomes, not rhetoric. With economic, migration, and security pressures mounting, voters may well judge success on action, not headlines.