



University of
Nottingham
Rights Lab

The Modern Slavery (Victim Support) Bill

A Cost-Benefit Analysis

Voice of Freedom

All photos in this report courtesy of Voice of Freedom.

Voice of Freedom works with women who have escaped trafficking and torture, bringing the voices of the enslaved to the wider public for the first time. The project enables the women to document their lives, feelings and experiences through the camera lens, and supports them as they create texts in their own words to accompany the images.

Learn more at voiceoffreedom.org



My bag fell down and when I picked it up I realised that this place symbolised something. So many things have been neglected, set aside. Until we take note of them, we don't know how important they might be.

Photo: Okungbowa Osamude

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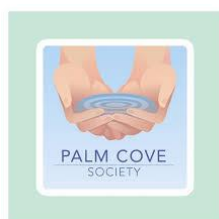
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Foreword

Lord McColl of Dulwich



Modern slavery is a terrible crime which robs people of their dignity and freedom. For many it also robs them of their future leaving them without security, a home, an income or a route back into society.

The UK has sought over the past few years to be a world leader in efforts to address slavery, trafficking and exploitation. The Modern Slavery Act 2015 was a milestone – setting a new framework for tackling these crimes in England and Wales. Unfortunately, it lacked a comprehensive response to the need of victims for support and assistance.

The UK provides support during the immediate period after a person is identified as a possible victim, but at present it offers only basic emergency support for a short time. Although this is very welcome and can protect victims from imminent danger and offer them access to healthcare and practical help with their immediate needs, it does not offer victims a route towards recovery. In 2017, I introduced a Private Members Bill, the Modern Slavery (Victim Support) Bill, to try to remedy this situation in England and Wales.

I am very grateful to the team at the University of Nottingham's Rights Lab for this excellent study evaluating the financial costs and benefits of providing victims with a longer period of support under my Bill. I thank all the NGOs who have provided the Rights Lab with information on their experience of supporting victims of modern slavery. Of course, the benefits of providing victims with support go far beyond the financial, but it is significant to see the degree to which supporting victims on a pathway to recovery, for a longer but limited period of time, can in fact result in cost savings and financial benefits. It can be too easy to assume that introducing new forms of support will necessarily involve new spending and overlook the way that judiciously applied spending at an opportune time can make a significant difference in a person's recovery, prevent more costly intervention further down the line, and support more prosecutions of traffickers. Helping victims of modern slavery with longer term support leads to a swifter return to employment, which is beneficial not only for a person's rehabilitation but also gives them an income relieving the burden on the benefit system and increasing tax revenue.

I commend this thorough analysis to my colleagues in Parliament, to policy-makers and Government Ministers and encourage them to consider increasing the support for all victims of modern slavery with utmost urgency.

Lord McColl of Dulwich CBE

Executive summary

This report provides an analysis of the costs and benefits of extending support to adult conclusive victims of human trafficking in England and Wales for 12 months after exiting the National Referral Mechanism (NRM), the UK's identification and support system for victims of modern slavery.

This extended support is proposed under S.48B of The Modern Slavery (Victim Support) Bill (the Bill). The Bill includes provision (S.48A) to guarantee in law the support that is already provided on a non-statutory basis.

Given the availability of 2017 NRM data at the time of analysis, our report is calculated based on estimates of the number of adult conclusive victims in England and Wales who would have received additional support under the Bill, if it were in force in 2017.¹ To fill evidence gaps, additional data was collected from non-governmental organisations supporting victims of human trafficking.

Parts I and II of this analysis present an estimate of the benefits which would accrue from the enactment of S.48B. These benefits are addressed in two Parts: quantified benefits, and unquantified benefits. Part I estimates the benefits of increased employability, and reductions in homelessness and rough sleeping. The benefits identified under Part II are unquantified because of their intangible nature or where totals cannot be precisely calculated due to limitations in existing data. Part II identifies several advantages resulting from the additional support operating at the individual and societal level: victim recovery, criminal justice processes, benefits relating to prosecutions, reductions in re-trafficking, and impacts on public services. Main calculations can be found in the Annexes.²

Part III provides an estimate of the costs for the 12-month period of support after the NRM proposed under S.48B. Costs are estimated for: accommodation and subsistence or financial assistance; support workers; and translation and interpretation services.

Limitations of the report

While this analysis seeks to provide accurate calculations for all items listed, incomplete and inadequate data has limited the potential for thorough accounting. There are significant unquantifiable figures and in many cases figures have been suggested following consultation with the third and public sector, and with victims. Some of the findings presented in this report rely on the perceptions and data of organisations consulted. Further, much of the data relied on has come from third sources, and in many cases it is not possible to test the statistical uncertainties of the figures, nor the assumptions behind them, demonstrating the need for collation and publication of more detailed data.

¹ Estimated between 1,231 and 1,374 victims or 43%-48%.

² Full data sheets and calculations are available on request.

Findings

Findings are that if the Bill had been enacted in 2017, there would have been a direct financial benefit of implementing S.48B outweighing the costs.

Benefits

We estimate a direct financial benefit of between £15.4m and £21.3m for all conclusive victims referred in 2017 (equivalent to between £12,500 and £15,500 per conclusive victim) across two categories: relief of homelessness and improved employability.

It is further estimated that the combined *indirect* and *direct* financial benefits would be between £24.8m and £39.8m; between £20,200 and £29,000 per conclusive victim.

Costs

The estimated additional cost of S.48B per conclusive victim referred is between £10,700 and £11,700, which accounts for the cost of support services outlined in S.48C at the end of the 12-month period.

The total cost of providing such support for all conclusive victims referred in 2017 would have amounted to between £13.2m and £16.1m.

Had the Bill been implemented in 2017, S.48B support would have produced a net direct financial benefit (overall benefits minus overall costs) estimated to be between £1.0m and £6.6m, a net direct and indirect benefit of between £10.4m and £25.1m, and likely greater in the light of the number of unquantifiable benefits.³



*We humans,
our bodies are
the same but
our hearts is
not...*

Photo:
Omo Colis

³ Full data sheets and calculations available on request. The full range of potential net costs is calculated by subtracting the highest estimated benefit from the lowest calculated cost, and the lowest benefit from the highest cost in both positive conclusive grounds decisions rates identified in this report (see Table 9).

Introduction

1. Modern slavery has profound social and economic impacts. Just one form of slavery—human trafficking for sexual exploitation—is estimated to cost the UK at least £890 million each year, while organised child exploitation is thought to cost the UK £1.1 billion a year.⁴ Many victims of slavery are also forcibly involved with national and transnational organised crime, which is estimated to cost the UK at least £24 billion a year.⁵
2. In July 2018, there were 850 active police investigations, compared with 188 in November 2016.⁶ Home Office research has suggested there are 10,000-13,000 victims of modern slavery in the UK,⁷ but the National Crime Agency has more recently suggested that the Home Office estimate, which dates from 2013, could be several times too small, saying instead that there are tens of thousands of victims around the country, including people in every city and large town.⁸ Of these, only a fraction of victims have access to specialised support and services. In 2017, 5,145 people were referred to the UK's National Referral Mechanism (NRM) and referrals have increased year on year.⁹
3. Under S.48A, the Bill provides a legal guarantee of current non-statutory entitlements under the system for identifying and supporting victims of modern slavery: the NRM and the Victim Care and Coordination Contract. S.48B of the Bill provides for an additional twelve months of support than is currently provided for victims of human trafficking and modern slavery in England and Wales under the National Referral Mechanism. The support proposed under the Bill includes accommodation, material assistance, medical advice and treatment, counselling, support work, translation and interpretation services, assistance in obtaining legal advice, and repatriation assistance (S.48C).

⁴ Home Office, *Understanding Organised Crime: Estimating the Scale and the Social Economic Costs*, (Research Report 73, 2013); Home Office, *Reducing Modern Slavery* (HC 630 Session 2017–2019, 15 December 2017).

⁵ Home Office, *Understanding Organised Crime*, *ibid*, 10-11.

⁶ HM Government, 2018 Annual Report on Modern Slavery (2018) 5.

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/749346/2018_UK_Annual_Report_on_Modern_Slavery.pdf

⁷ Bernard W. Silverman, *Modern Slavery: an application of Multiple Systems Estimation* (Home Office, UK, 2014). Published in conjunction with the UK Government Modern Slavery Strategy.

⁸ National Crime Agency, *Law Enforcement Steps up Response to Modern Slavery* (National Crime Agency, 2017) quoting Will Kerr, NCA Director of Vulnerabilities.

⁹ National Crime Agency, *ibid*, quoting Will Kerr, NCA Director of Vulnerabilities.

www.nationalcrimeagency.gov.uk/news/1171-law-enforcement-steps-up-response-to-modern-slavery,
⁹ These figures represent a 35% increase from 2016. National Crime Agency, *National Referral Mechanism Statistics – End of Year Summary 2017* (EOY17-MSHT, 2018). Note also that anecdotal evidence from service providers is that potentially up to 50% of total victims do not access the NRM due to failures to identify that modern slavery has occurred, or where adults refuse referral to the NRM.

Terminology

4. While the authors recognise the term ‘survivor’ as a more positive term for those who enter the National Referral Mechanism (NRM), throughout this analysis the general term ‘victim’ has been used, per the language of the Modern Slavery Act 2015. Where differentiation is needed to identify victim status within the NRM, the following terms are used:

‘Potential victim’:

An individual in receipt of a first stage positive ‘reasonable grounds’ decision (RGD), which means that it is ‘suspected but not proven’ that they are a victim of human trafficking or modern slavery, and which allows the potential victim to access support for a period of at least 45 days while their case is considered.

‘Conclusive victim’:

An individual who, following a positive RGD, receives a second stage positive ‘conclusive grounds’ decision (CGD) which means that on the evidence available and on the balance of probability ‘it is more likely than not’ that they are a victim of human trafficking or modern slavery.

‘First responders’:

Agencies and organisations with a responsibility to identify and interview a potential adult or child victim of modern slavery to make a referral into the NRM.



These are my shoes. One is rotten and the other is a little bit new. The picture signifies my feet, and my feet signify my journey – one behind and one ahead.

The one behind represents back then... It was so horrible, and that's why you see the rotten shoe, something that reminds me of so much pain.

The shoe at the front is life... You understand, it's a step I have to take.

Photo: Stef

Baselines

5. Calculations in this analysis estimate the impact of proposed reforms as they relate to adults in England and Wales only, to reflect the scope and application of the Bill.

6. Due to the lack of data available during the period of analysis, projections to 2018 have not been made. Instead, calculations are based on adult referrals into the NRM from the year 2017 in England and Wales for which there are full statistics available – 2,862 adults.¹⁰

7. Given the lack of primary data sources available to undertake this cost benefit analysis, and to mitigate the consequences of assumptions made and secondary data used, we have taken a conservative approach to calculations for benefits, and provided over-estimations of the costs, of S.48B.

8. In order to provide a more accurate picture of likely costs, in some cases numbers of referees are presented with decimal places because they represent the probability of an occurrence rather than the number of people.

9. The percentage of referrals to the NRM for 2013—2017 that result in a positive conclusive grounds decision (conclusive victims) vary between 35.5% and 47.8%. At the point at which potential victims of modern slavery are identified, an estimated 20% of people decline NRM support under the status quo and are therefore not recorded in NRM statistics, nor do they receive a reasonable or conclusive grounds decision.¹¹

Table 1. Percentage of NRM referrals resulting in a positive conclusive grounds decision 2013-2017

Year	Total number of referrals	Total cases concluded	Positive conclusive decisions	Positive conclusive decisions (as a % of total cases concluded)	Negative (RG or CD)	Negative decisions (as a % of total cases concluded)	Pending decisions (RG or CD)	Suspended cases	Withdrawn
2013	1,745	1,734	830	47.8%	777	44.8%	11	60	67
2014	2,339	2,215	981	44.3%	1,103	49.8%	124	57	74
2015	3,261	2,746	1,201	43.7%	1,341	48.8%	515	110	94
2016	3,804	2,636	1,133	43.0%	1,325	50.3%	1,168	67	111
2017	5,145	1,872	665	35.5%	1,049	56.0%	3,273	34	124

¹⁰ National Crime Agency, *National Referral Mechanism Statistics – End of Year Summary 2017* (EOY17-MSHT, 2018): Annexes A and D. In 2017, there were a total of 3,027 (59%) adult referrals into the NRM from across the UK.

¹¹ However, a number of these individuals could enter the NRM in the future if better support was available. For the purposes of these calculations, we have not included these additional victims in our calculations.

10. At the time of our analysis, the overall number of positive conclusive grounds decisions for 2017 referrals was not yet available, as 64% of cases remained pending. For this reason the percentage of positive conclusive decisions for 2017 has been estimated based on the percentage of positive decisions in previous years for which more comprehensive data is available. It is therefore estimated that at least 1,231 up to 1,374 victims, or 43% - 48% of adult conclusive victims in England and Wales referred in 2017 would at some point have been provided with additional support under the Bill, were it in force. The estimated cost of providing this support is calculated in Part III of this report.

11. The lower bound for the number of conclusive victims offered in this report relates to the lower estimate of 43% of adults referred, and the upper bound relates to the higher estimate of 48% of adults referred. It should be noted, however, that the percentage of conclusive victims proportionate to the number of people referred to the NRM may change in the future based on changes to the support provided and changes in the circumstances of potential victims.

12. Current NRM decision data does not differentiate victims on the basis of geographic location or age, so percentages of positive decisions do not take account of any regional variations or differences in the rate of positive decisions for adults compared with children (if any). Therefore, demographic data relating to people referred have been extrapolated to conclusive victims, and applied in the assessments.



The emotion of the building, the way that I took the picture, it shows that it's a prison where people have been trapped. No food, nothing. It's really important...

Photo: Okungbowa Osamude



The colour I'm wearing is black. It's a mourning colour. In the week I snapped this picture I was mourning my mum and up to now I'm still with the black. I promised I was never going to leave my family. I did everything I did because I have this heart, I want to help.

In this picture I'm looking forward, looking ahead at what I'm going to be. Let me enjoy everything I have suffered for. But my right hand is behind, reaching back for my family, people who need me.

Reaching back, there is nothing to touch, nothing to hold.

Photo: Stef

Part I: Quantified benefits

13. The data provided in this Section supports a conclusion that the tangible benefits of additional support provided by S.48B and detailed in S.48C represent an estimated direct financial benefit of between £12,500 and £15,500 per conclusive victim referred, or in the range of £15.4m to £21.3m for total adult referrals attributed to 2017.¹²

14. While it is clear that increased care, support and services result in a wide range of benefits, data available to support the calculation of these remains very limited. It is therefore difficult to predict the level of savings generated by S.48B with a high degree of accuracy. Despite the difficulties of obtaining quantifiable evidence, several benefits can be calculated on the basis of available data, and there is strong support for all dividends identified below across the literature and in practice.

1. Homelessness and rough sleeping

15. There are clear links between homelessness and modern slavery. Victims of modern slavery are at a higher risk of becoming homeless where they do not receive support to access affordable housing.¹³ This affects people who do not enter the NRM as well as those who do. In 2017, conclusive victims were only entitled to 14 days of further accommodation on the basis of their status as a victim. This is the only available source of retrospective data and thus has been used in these calculations. On 1 February 2019, this 14 day period was increased to 45 days. It should be noted that time-limited support was recently challenged in *NN and LP v Secretary of State for the Home Department* (2019),¹⁴ with the result that the Home Office has committed to implementing a 'sustainable needs-based system for supporting victims of trafficking'.¹⁵ Going forward, the consequence of this change to policy is likely to result in additional costs under the status quo, thereby reducing the costs of S.48B compared to the status quo. However, evidence of the shape this system will take is not yet available. Therefore, it has not been factored into calculations.

16. There is growing evidence that traffickers are targeting homeless people and rough sleepers in the UK, placing them at greater risk of becoming victims of modern slavery,¹⁶ or in the case of conclusive victims being re-victimised and/or re-trafficked (addressed further in Section 6 of this Report). Providing accommodation for 12 months under S.48B will therefore

¹² For the purpose of this report, numbers from calculations made for this report below 100 are rounded to the nearest 1; numbers from 100 to 10,000 are rounded to the nearest 10; numbers from 10,000 to 100,000 are rounded to the nearest 100; numbers from 100,000 up to 1 million, have been rounded to the nearest 1,000; and numbers from 1 million upwards have been rounded to the nearest 100,000. All rounding has been carried out after all calculations were made and rounding has been used solely for ease of reading in this report.

¹³ The Passage, *Understanding and Responding to Modern Slavery within the Homelessness Sector: A Report Commissioned by the Independent Anti-Slavery Commissioner* (2017): 4. www.antislaverycommissioner.co.uk/media/1115/understanding-and-responding-to-modern-slavery-within-the-homelessness-sector.pdf

¹⁴ *NN and LP v Secretary of State for the Home Department* [2019] EWHC 766 (Admin).

¹⁵ See Duncan Lewis Solicitors, 'Home Office concedes that their 45 day policy for providing support for victims of trafficking is unlawful' (28 June 2019): [www.duncanlewis.co.uk/news/Home_Office_concedes_that_their_45_day_policy_for_providing_support_for_victim_s_of_trafficking_is_unsatisfactory_\(28_June_2019\).html](http://www.duncanlewis.co.uk/news/Home_Office_concedes_that_their_45_day_policy_for_providing_support_for_victim_s_of_trafficking_is_unsatisfactory_(28_June_2019).html)

¹⁶ See Thompson Reuters Foundation, 'Traffickers Targeting the Homeless in the UK' (2017): www.freedomunited.org/news/traffickers-targeting-homeless-uk/; and 'Human Traffickers Lure UK's Homeless into Modern Slavery: Charities' (2017): www.reuters.com/article/us-britain-slavery-homelessness/human-traffickers-lure-uks-homeless-into-modern-slavery-charities-idUSKBN1CZ253

reduce the risk of conclusive victims becoming homeless in both the medium and long term, which in turn decreases the risk of re-trafficking.

17. Effective interventions and housing support for a person who would otherwise be homeless or sleeping rough results in a considerable net saving to the public purse. Costs for health care systems, including mental health services and emergency services at hospitals are high, as are many costs for the criminal justice system. Homelessness is therefore not a cost neutral phenomenon.¹⁷ In research produced by Crisis (2016) if the 86 people studied had been homeless for one year, estimated public spending would be £34,518 on average per person, per year, a total of some £2.96 million annually.¹⁸ This estimate forms the basis of calculations on the average cost of homelessness below (see Table 2).

18. The proportion of victims that become homeless, and the proportion of homeless people in England and Wales who are, or were, victims of human trafficking or modern slavery is unknown. In evidence to the Home Affairs Select Committee in 2018, the NGO Hope for Justice reported that 70% of victims they supported would have been homeless if the charity had not intervened.¹⁹ Hestia report that 50% of conclusive victims they supported would have experienced homelessness without support over a six-month period provided via their Phoenix project, although their estimation is that even 55% is likely to be a conservative estimate as potentially all clients could be at risk of homelessness when their circumstances change, for example, when they receive their asylum decisions. The Survivor Alliance also estimate that 55% of conclusive victims would likely experience homelessness after exiting the NRM.

19. The percentage of these people considered likely to be homeless for 12 months is therefore calculated at between 50% and 55% on the basis of majority reports from UK NGOs working directly with victims. This lower percentage (compared to the 70% estimate by Hope For Justice) is used to account for the fact that our calculations relate to adult conclusive victims only, and that a higher proportion of people will in fact experience homelessness at some point in a year, but not over the entire year. This more conservative estimate also accounts for a proportion of people who would face homelessness despite the support provided by the Bill.

Table 2. Financial benefit of alleviating homelessness

Group	# of people in group		CPU	% of group		Total	
	lower	upper		lower	upper	lower	upper
Non-EEA nationals not seeking asylum	518.2	578.5	£34,518	50%	55%	£8,943,930	£10,982,315
Non-UK EEA nationals not eligible for benefits (not granted LTR)	141.3	157.7	£34,518	50%	55%	£2,437,844	£2,993,446
Non-UK EEA nationals granted LTR in 6 months	34.0	38.0	£17,259	50%	55%	£293,490	£360,378
Non-UK EEA nationals granted LTR in 12 months	29.7	33.2	£34,518	50%	55%	£512,692	£629,538
TOTAL						£12,187,957	£14,965,677

¹⁷ Nicholas Pleace, *An Estimation of the Financial Costs of Single Homelessness in the UK* (Crisis, 2015) iv. www.york.ac.uk/media/chp/documents/2015/CostsofHomelessness.pdf

¹⁸ Based on those who would have the same pattern of service use by those interviewed who had been homeless for 90 days. Crisis, *Better Than Cure? Testing the Case for Enhancing Prevention of Single Homelessness in England* (2016): 1. www.crisis.org.uk/media/20682/crisis_better_than_cure_es_2016.pdf

¹⁹ 23 October 2018: <https://parliamentlive.tv/event/index/fdb547ca-18e6-45c9-8b2b-6450ad62100d>

20. Persons likely to experience homelessness in the absence of accommodation support have been calculated on the basis of those conclusive victims who would not be eligible for benefits (which would encompass housing support) or National Asylum Support Service (NASS) accommodation under the status quo.²⁰ For non-UK EEA nationals granted leave to remain in 6 months the entitlement to benefits would attach to the grant of leave. The cost of homelessness for this group is therefore calculated only for the 6-month period preceding the positive decision on leave. For the remaining groups, the risk of homelessness is not alleviated during the 12 months following exit from the NRM, and the cost is therefore calculated for the full 12-month period.

Summary of the benefits of reducing homelessness

21. The provision of accommodation support for an additional 12 months under S.48B would have generated savings between **£12.2m** and **£15.0m** for victims referred in 2017 by alleviating the risk of homelessness. Sustained provision for accommodation is also likely to return further savings in each subsequent year by providing victims with a solid foundation for recovery beyond this period, substantially decreasing the risk of future homelessness and returning further savings in this category on these individuals in each subsequent year.

2. Employability

22. The terms of S.48B make no direct reference to the provision of support for conclusive victims in gaining employment. However, the provision of support under the Bill would have positive impacts on the employment pathways of conclusive victims when compared against the status quo.

23. Employment prospects for people exiting the NRM under the status quo are limited. Frontline NGOs highlight the lack of consistent, comprehensive post-NRM support as a critical factor in the difficulties conclusive victims face in obtaining employment, both in the immediate aftermath of exiting the NRM and in the longer term. Barriers to work post-NRM reported by City Hearts include pending asylum decisions, overcoming mental health conditions linked to trauma, childcare difficulties, and poor English language skills. Precarious living situations including obstacles to securing appropriate accommodation, a lack of assistance for navigating public support frameworks, and difficulties obtaining legal advice are also reported as barriers to conclusive victims obtaining employment.

24. With the support provided under S.48B, conclusive victims would be more effectively supported to overcome these key challenges, and therefore re-enter employment significantly sooner than they otherwise would have, or in circumstances when they otherwise might never have done so. For instance, Hestia reports that with the support they provided over a 12-month post NRM period, their non-EEA victims were able to speak English, create a CV and were interviewing for jobs. Hestia do not believe these victims would have been able to do so without the follow-on support provided.

²⁰ We recognise that there will be some people that are missed by this because some those eligible for benefits nonetheless risk homelessness. We have assumed that this would apply to non-EU nationals not seeking asylum or not granted leave to remain as well as applying to those non-UK EU nationals granted leave to remain with the assumption that the process for granting leave can take between 6 and 12 months.

2.1. Employment within the period of S.48B support

25. Data from the Local Authority Pilot Scheme reveals that conclusive victims provided with comprehensive support beyond the NRM are much better placed to secure employment. Under the NRM Pilot Scheme, Palm Cove Society supports a range of victims, including those with and without indefinite leave to remain. Their data therefore accounts for the immediate challenges that would be faced by victims after exiting the NRM into the 12 months of support provided by the Bill, including the difficulty of securing employment with only a limited period of leave. These figures are used as the basis for calculating employment in the 12 month period.

26. In the Palm Cove Society Pilot (2018-19), 58 conclusive victims were supported overall, with 29 (50%) supported to try to secure employment. People not supported to secure employment in the first 12 months post-NRM included those not yet physically or mentally capable of returning to work, and those with inhibiting substance dependencies. Of those who were supported to seek employment, 4 secured full-time employment in less than 1 month (6.9% of all participants in the Pilot), 5 secured full-time employment in 1-6 months (8.6%), and 5 secured full-time employment in 6-12 months (8.6%). This represents a total of 24.1% of all participants in the Pilot—48.2% of those able and supported into work.

27. Palm Cove Society data on employment prospects for conclusive victims receiving support in the NRM Pilot Scheme is consistent with data provided by Hestia on the employment of conclusive victims supported in their Phoenix project. The Phoenix project supported conclusive victims facing higher barriers to employment than the average profile of adult victims in England and Wales, with 97% non-EEA nationals, 75% women, and 60% having experienced sexual exploitation. Despite this victim profile, 16% of victims in the Phoenix project moved into employment within 6 months (against the Palm Cove Society 15.5%), and Hestia estimated that 25% would do so within 12 months (against the Palm Cove Society 24%). This indicates that the Palm Cove Society data may provide an underestimate of the total number of conclusive victims re-entering employment within the first 12 months post-NRM under S.48B. The more conservative Palm Cove Society estimates have been used for the purpose of these calculations.

28. All conclusive victims would receive discretionary leave and thus have the right to work under the Bill. The benefit of employment within the 12 months could therefore apply to all conclusive victims supported as a result of S.48B, and not only to UK or EEA nationals, or those granted leave to remain beyond the 12 months of support. Palm Cove Society's findings have therefore been applied to this group as a whole.

Table 3. Employment of conclusive victims based on data provided by Palm Cove Society

Group		Palm Cove Pilot		Number of 2017 +CGDs	
		Number of people	Proportion of people	Lower bound	Upper bound
1	Employment secured in less than 1 month	4	6.9%	84.9	94.7
2	Employment secured in 1 - 6 months	5	8.6%	106.1	118.4
3	Employment secured in 6 - 12 months	5	8.6%	106.1	118.4
4	Employment secured in over 12 months	4	6.9%	84.9	94.7
5	Employment still pending	11	19.0%	233.4	260.5
6	Not supported to secure employment in the first 12 months post-NRM	29	50.0%	615.3	686.9
Total securing employment within 12 months		14	24.1%	297.1	331.6

29. Some conclusive victims would secure part-time or casual employment during the 12 months they received S.48B support. However, the calculations in this report account only for the proportion of people gaining full-time employment, reflecting the Palm Cove Society data. This creates an under-estimate on the benefits that would likely occur as a result of people re-entering employment during the 12 months they received support under S.48B. This is considered to offset the number of people who would be able to secure employment under the status quo absent support beyond current provision for 45 days of support.²¹

30. For the purpose of calculating employment benefits, the median of each time period is taken as the point in time at which people would secure employment (0.5, 3.5, and 9 months), balancing those securing employment earlier in the period against those securing it later. Employment benefits are therefore calculated for 11.5 months for group 1 in Table 3, 8.5 months for group 2, and 3 months for group 3.

31. The Palm Cove Society data suggests that between 615 and 687 conclusive victims referred in 2017 would be supported to seek full-time employment within the 12 months they received support under S.48B, and that between 297 and 332 would likely secure employment within that 12 months.

32. Consistent with the approach adopted in the Home Office Report on the Economic and Social Costs of Modern Slavery, the benefits of employment are calculated using national average weekly earnings (£502) as a baseline.²² This produces an average yearly gross earning per person of £26,104, from which income tax and national insurance contributions (as well as net earnings) can be calculated.

Table 4. Employment benefits of S.48B support within the first 12 months post-NRM

Group	Benefit per person			Totals	
	Income tax	National insurance (employee)	National insurance (employer)	Lower bound	Upper bound
Employment secured at 0.5 months	£2,607	£2,009	£2,311	£587,949	£656,315
Employment secured at 3.5 months	£1,927	£1,485	£1,708	£543,214	£606,378
Employment secured in 9 months	£680	£524	£603	£191,723	£214,016
TOTAL				£1,322,885	£1,476,709

Summary of the direct benefits of employment within 12 months

33. Estimations are therefore that the total direct benefit of employability (income tax and national insurance contributions) ranges from **£1.3m** to **£1.5m** (see Annex 2) for employment within the first 12 months after conclusive victims exit the NRM.

²¹ The Survivor Alliance reports this as an extremely rare occurrence given the difficulties faced by conclusive victims in the period after exiting the NRM, and particularly rare for full-time employment.

²² Home Office, *The Economic and Social Costs of Modern Slavery* (Research Report 100, July 2018) 19: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/729836/economic-and-social-costs-of-modern-slavery-horr100.pdf.

2.2. Employment beyond the period of S.48B support

34. It is clear that 12 months of additional support, as outlined in S.48C, will increase employability and provide economic relief beyond the 12 month period of support.²³ For those with leave to remain beyond the 12 months, improvements in employability will continue to accrue beyond the first year, as conclusive victims move into employment when they would not have done so under the status quo.

35. To account only for conclusive victims with indefinite leave to remain under the status quo, this benefit is calculated for UK nationals, EEA nationals, and those granted asylum or humanitarian protection. Although those with discretionary leave or other forms of immigration leave under the status quo may secure the right to remain for longer than 12 months, no data is available on the periods of time these forms of leave have been granted to conclusive victims. It is also unclear whether the leave victims would receive under the Bill would replace discretionary and other immigration leave obtained under the status quo in some, or all, cases. Therefore, the benefits of employment beyond the 12 months are not calculated for these victims, assuming that their leave is limited to 12 months and that the leave obtained under the Bill would replace that obtained under the status quo. This likely produces an underestimate on the number of people eligible to secure employment beyond the initial 12 months.

36. NGOs working directly with conclusive victims exiting the NRM estimate that the support provided under S.48B, as outlined in S.48C, would enable those with the right to work in the UK to return to work an average of 1 to 2 years earlier than they would under the status quo.²⁴ This estimate is not time-bound, making no assumption about when they return to work. Thus, whether victims re-enter employment 2 months, 2 years, or 2 decades after exiting the NRM the benefit accrues. This estimate also accounts for the various barriers victims face upon exiting the NRM and in their recovery, including the proportion who might never re-enter employment.

37. A benefit of 1 to 2 years additional employment is identified as a conservative underestimate, with practitioners indicating that the benefit of earlier employment is likely to be greater than 2 years in the majority of cases, and would provide pathways to employment that would otherwise be unrealisable for many years after victims' exploitation.²⁵ NGOs working with victims suggest that, in the absence of support like that provided under S.48B, a significant proportion of victims may never re-enter full-time employment. Recognising that this likely produces an underestimate of the long-term benefit of increased employability, these time periods form the lower and upper bound for calculations of employment prospects beyond the 12 months victims receive support under the Bill.

Research indicates that 64% of victims of violent crime are employed after their victimisation.²⁶ This forms the basis of the Home Office's estimate that 64% of adult conclusive victims from EEA countries would have been in legitimate employment had they not been exploited.²⁷ However, victims of modern slavery in general face higher barriers to employment

²³ The Human Trafficking Foundation confirm that some people will be ready for work within the year, with the residence permit will allow them to work and pay taxes as soon as they are ready. Schemes like Co-op's Bright Future Project are also expanding fast and able to take on people with the right to work so long as they have support.

²⁴ Consultation with the Survivor Alliance. Calculations are based on 1-2 year's employment (not 365 days of work).

²⁵ Ibid.

²⁶ This assumption was based on CSEW data. Heeks, et al estimate that 64% of adult victims of violent crime are employed: Heeks M., Reed, S., Tafsiri, M. & Prince, S. *The Economic and Social Costs of Crime* (Home Office, 2018).

²⁷ Home Office, above n 22.

than victims of other violent crimes; as identified above, many victims will never return to employment, or will not do so for a significant period of time, without post-NRM support. However, the support provided under S.48B and set out in S.48C would address these barriers. We therefore assume that S.48B support would bring conclusive victims to a position comparable to other victims of violent crime, and thus that 64% of conclusive victims will eventually return to employment.

38. For those conclusive victims who secure employment within the first 12 months after exiting the NRM, the 1 to 2 year period of improved employability would commence within this period, and is therefore partially accounted for in the calculations in Section 2.1. above. The benefit of employment of 11.5, 8.5, or 3 months during the first 12 months for these groups is therefore subtracted from the full benefit of 1 to 2 years employment that accrues over the longer term. For those securing employment at, or after, 12 months, the full benefit of 1 to 2 years of employment is calculated below.

Table 5. Direct employment benefits of S.48B support beyond the first 12 months post-NRM

Group	Number of people in group		Benefit per person						Totals	
			Income tax		National insurance (employee)		National insurance (employer)		Direct benefit	
	lower	upper	lower	upper	lower	upper	lower	upper	lower	upper
Employment secured at 0.5 months	36.4	40.7	£113	£2,834	£87	£2,184	£100	£2,512	£10,975	£306,286
Employment secured at 3.5 months	45.6	50.9	£794	£3,514	£612	£2,708	£703	£3,114	£96,034	£474,744
Employment secured in 9 months	45.6	50.9	£2,040	£4,761	£1,572	£3,669	£1,808	£4,220	£246,943	£643,201
Employment secured after 12 months	210.6	235.1	£2,721	£5,442	£2,097	£4,193	£2,411	£4,822	£1,522,488	£3,399,044
								TOTAL	£1,876,440	£4,823,275

39. The proportion of people calculated as securing employment after 12 months (those with leave to remain as set out in paragraph 35) is calculated on the basis that 24.1% will find work within 12 months—6.9% at 0.5 months, 8.6% at 3.5 months, and 8.6% at 9 months (see Section 2.1 above). Therefore, the remaining 39.8% of people making up the 64% who will eventually return to employment are estimated to re-enter employment after the 12 month period they would be receiving support under the Bill.

Summary of the direct benefit of employment beyond 12 months

40. Improved employability beyond the initial 12 months in which conclusive victims would receive support under the Bill, calculated on the basis of income tax and national insurance contributions, is therefore estimated to produce a direct benefit between **£1.9m** and **£4.8m**.

2.3. Wider economic benefits of improved employability

41. Improvements in the employment prospects of conclusive victims result in additional benefits beyond the material benefit of taxes collected and wages earned, including wider economic benefits to the State. NGO reporting identifies reductions in illegitimate work and re-trafficking as benefits of longer-term support associated with improved employability.

42. Unemployed people have low income (which can lead to relative poverty) and may become de-motivated and de-skilled, potentially leading to a cycle of unemployment. Unemployment may also exacerbate social problems such as crime, vandalism and social alienation. Each of these social problems incurs costs to the State, which are alleviated when people are supported and able to re-enter employment.

43. Consequent decreases in re-trafficking anticipated as a result of S.48B (Section 6) also supports the likelihood of employment related benefits, for the profits of labour performed by those subjected to modern slavery are pocketed by perpetrators, and are therefore unavailable to be circulated in the local economy or taxed by the State.

44. The income gained by those in employment is beneficial in terms of re-distribution, and contributes to economic growth. This includes positive impacts on: the reduction of government borrowing; increases in consumer spending and the circulation of money in the marketplace; decreases in poverty and poverty related costs relating to health, wellbeing, and homelessness; and the improvement of the workforce skills base.

Table 6. Indirect employment benefits of S.48B support within the first 12 months post-NRM

Group	Number of people in group		Indirect benefits per person (net wage)	Total	
	Lower bound	Upper bound		Lower bound	Upper bound
Employment secured at 0.5 months	84.9	94.7	£20,400	£1,731,379	£1,932,702
Employment secured at 3.5 months	106.1	118.4	£15,078	£1,599,644	£1,785,649
Employment secured in 9 months	106.1	118.4	£5,322	£564,580	£630,229
TOTAL				£3,895,603	£4,348,580

45. The total benefit of net wages received by conclusive victims in the first 12 months after exiting the NRM is estimated to be between **£3.9m** and **£4.3m**.

Table 7. Indirect employment benefits of S.48B support beyond the first 12 months post-NRM

Group	Number of people in group		Net wages (per person)		Totals	
	lower	upper	lower	upper	lower	upper
Employment secured at 0.5 months	36.4	40.7	£887	£22,174	£32,320	£901,945
Employment secured at 3.5 months	45.6	50.9	£6,209	£27,495	£282,797	£1,398,015
Employment secured in 9 months	45.6	50.9	£15,965	£37,251	£727,193	£1,894,085
Employment secured after 12 months	210.6	235.1	£21,287	£42,573	£4,483,389	£10,009,427
TOTAL					£5,525,700	£14,203,472

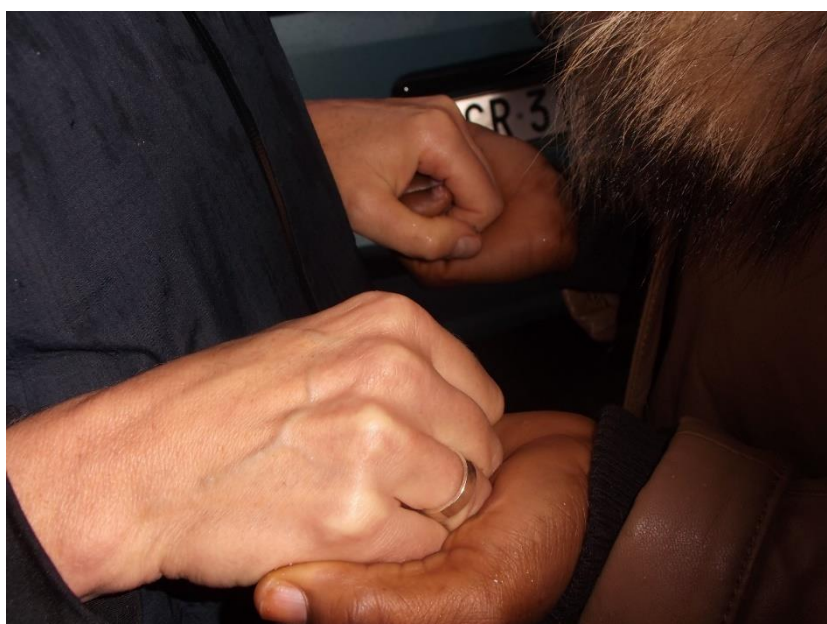
46. The indirect benefits of improved employability, calculated on the basis of net wages earned by conclusive victims, beyond the 12 month period victims would receive S.48B support, ranges from **£5.5m** to **£14.2m**. However, the wider economic benefit of this employment is more diverse and extensive than net wages alone.

Summary of benefits of improved employability

47. The total direct benefits of improved employability, both within the 12 months conclusive victims would receive support under S.48B and in the longer term, is estimated to be between **£3.2m** and **£6.3m**.

48. The total indirect benefits of improved employability are estimated to be between **£9.4m** and **£18.6m**.

49. This produces a total benefit of improved employability estimated to be between **£12.6m** and **£24.9m**.



Many of us, and almost all of us, have passed through too many temptations in life, too many struggles and trials – the trip here, how difficult it is... So I took this picture as a bond of consolation. We were trafficked and the anti-traffickers are giving us the hope that they are going to deal with these issues.

Photo: Gloria

Part II: Unquantified benefits

50. Beyond the benefits identified above, for which sufficient data exists to produce estimations of the value of proposed reforms, a range of additional benefits arise from the introduction of S.48B. These benefits, though unquantified, create substantial returns for investment in additional support provided, both in economic terms and in relation to the immeasurable impact they will have on victims' lives.

51. Three critical elements of support services are:

- i. **Appropriate and safe accommodation** can help reduce feelings of isolation, vulnerability and fear. In particular, after leaving an NRM safe house, access to appropriate and safe accommodation supports victims' recovery by helping to meet their need for community integration and stability.²⁸ Under the status quo, a number of victims live with friends, relatives, or their rescuers on exiting the NRM. These arrangements can often be unsafe and result in unwaged labour in exchange for a place to sleep. The provision of appropriate and safe accommodation therefore also provides safety from re-exploitation.²⁹
- ii. **Physical and mental health advice and treatment** can support victims who have had strong emotional experiences and cognitive changes as a result of their trauma. Victims are likely to have suffered abuse and physical harm that has lasting effects. Individual circumstances may be further complicated by substance abuse and dependence issues.³⁰
- iii. **Material assistance including financial assistance** can help to reduce the vulnerability of victims who often have no access to personal finances or other resources. An inability to meet basic needs renders victims more vulnerable to exploitation and homelessness, delays the resumption of a sense of independence and normalcy, and makes carrying out day-to-day activities much more difficult.

3. Immediate assistance

52. Mental health and addiction treatment for victims is vital to their recovery. Further, treating mental health and addiction while victims are in a stable and supported environment such as that proposed by S.48B, increases the likelihood of successful intervention and assists in their recovery and reintegration into society and employment. This has follow on benefits in the long-term, as earlier interventions conducted within a broad framework of support are more likely to contribute to recovery and enable the range of additional benefits that result from such.³¹

53. Following interviews with service providers, the Home Office reports that the median perceived likelihood of victims experiencing depression, fear and anxiety across all

²⁸ Rachel Smith and Adam Hewitt, *Bridging the Support Gap for Survivors of Modern Slavery (Hope for Justice, 2018)*: <https://hopeforjustice.org/news/2018/03/bridging-the-support-gap-for-survivors-of-modern-slavery/>

²⁹ Consultation with Hestia.

³⁰ Nicola Wright, Melanie Jordan, and Andrea Nicholson, *Support Needs of Survivors of Modern Slavery: Worldwide and UK Evidence from Humanitarian Service Providers*. Written evidence submitted to Frank Field MP inquiry into the support needs of survivors of modern slavery, (Rights Lab, 2018).

³¹ For a detailed breakdown of the types of mental health conditions assessed, see Annex 4.

exploitation types was 100%.³² However, our consultation with NGOs indicates that between 90-95% of conclusive victims supported in 2017 required treatment for depression, anxiety, and fear.

54. While there is no available data on the cost of the sorts of mental health problems experienced by victims of modern slavery, the OECD estimates direct and indirect costs related to mental health problems in the general UK population as €106 billion, or 4.1% of GDP.³³ In 2005-2006, the average annual cost of lost employment alone due to depression and anxiety has been calculated by the Mental Health Foundation as £7,230 and £6,850 per person respectively.³⁴ In 2010, the wider costs of mental health problems in England alone were estimated to be £105.2 billion each year – an average of approximately £9,600 for each person reported to suffer from mental health issues (although this calculation does not account for the large proportion of people who suffer from mental health issues but do not receive treatment).³⁵

55. Effective treatment for depression and anxiety can be expected to result in roughly equivalent benefits for victims who enter the NRM. This benefit continues to accrue over time, as mental health support provided under the proposed reforms would provide a platform for long-term recovery. While it is not possible to calculate the exact impact of mental health support on long-term recovery in this area on the basis of available research, and there is a degree of overlap with the employment benefits identified in Section 2, there is no doubt that treatment will generate additional benefits in both the short and long term.

56. In addition to suffering from mental health issues, 17% of conclusive victims in 2017 exited the NRM with alcohol addiction, and 5% with drug addiction, with figures likely to be higher due to underreporting. Treating victims for addiction aids in their recovery and reintegration, and supports economic benefits in other areas, including employment and homelessness. Treating addiction while victims are not economically active (in the early months of their support) is also advantageous, enabling them to focus on their recovery.

57. No additional costs have been added to our calculations since victims are already eligible for treatment under the NHS through Regulation 16 of the National Health Service (Charges to Overseas Visitors) Regulations 2015.³⁶

4. Long-term recovery

58. City Hearts have reported a rate of 65% victim resilience to re-trafficking through consistent long-term support.³⁷ Appropriate support, service, and care are of crucial importance for rebuilding the lives of people who have escaped modern slavery. Together, these services help to reduce victims' actual and perceived vulnerability, and are key to restoring their capacity. Providing victims with physical, psychological, financial and other support can create a strong foundation for their reintegration, long-term recovery and protection.

³² Home Office, above n 22.

³³ OECD/EU, *Health at a Glance: Europe 2018: State of Health in the EU Cycle* (OECD Publishing, 2018) 28. doi.org/10.1787/health_glance_eur-2018-en.

³⁴ Mental Health Foundation, *Fundamental Facts about Mental Health* (2016) 86.

www.mentalhealth.org.uk/sites/default/files/fundamental-facts-about-mental-health-2016.pdf

³⁵ Centre for Mental Health, *The Economic and Social Costs of Mental Health Problems in 2009/10* (2010) 1.

www.centreformentalhealth.org.uk/sites/default/files/2018-10/Economic_and_social_costs_2010.pdf

³⁶ The National Health Service (Charges to Overseas Visitors) Regulations 2015

³⁷ Of 265 victims across the North of England supported via City Hearts' Integration Support Programme since 2017.

59. Modern slavery and human trafficking come at a high cost for the affected groups, including detrimental psycho-social and socio-economic impacts on families, communities, and wider society. Where victims are supported in long-term recovery, the benefits for individuals, families, and communities are considerable and important, though more difficult to quantify. Through effective interventions, it is possible to reduce vulnerability and facilitate long term recovery. As victims recover they are able to re-join society as full social and economic participants.

60. While mental health and addiction support help to increase the employability of victims, employment opportunities can, in turn, help to support long-term recovery. Correlations between unemployment and mental health issues indicate both that mental health has negative impacts on employment, and that unemployment in turn has negative impacts on mental health.³⁸ The treatment of modern slavery victims for mental health problems is central to legitimate employment. Without follow-on support, some victims are never be able to go back to work due to acute trauma.³⁹

5. Criminal proceedings against perpetrators

61. Considerable time and resources are spent investigating, and preparing, a case against perpetrators for trial. The Annual Report on Modern Slavery 2018 published by the Home Office shows that in England and Wales in 2017 there were 130 prosecutions for principal offences under the Modern Slavery Act 2015 with only 17% of cases resulting in convictions.⁴⁰

62. The highly profitable nature of these crimes continues to attract perpetrators who regard them as low risk, high reward activities. The complexity of the investigations and the operations required to uncover and prosecute means that every perpetrator who escapes prosecution does so at a cost to the State. Although the cost of trials is likely to be relatively similar whether or not the alleged perpetrator is convicted, an increase in the proportion of convictions in relation to prosecutions represents more effective spending, and conversely a low proportion of convictions in relation to investigations and prosecutions represents ineffective spending.

63. The cooperation and testimony of victims is often critical in investigating and prosecuting modern slavery offences.⁴¹ The nature of investigations and the current NRM system, limited to a 45-day reflection and recovery period and (since 1 February 2019) a 45-day “move on” period, necessitates victims’ cooperation in criminal justice processes being sought before they have had time to recover and in some cases after their support has ended.⁴² The limited timeframes provided are likely to affect the quality of their testimony as well as their participation in proceedings, which may negatively impact the outcome of the proceedings. Without appropriate support, victims will experience greater difficulty in providing evidence against perpetrators,⁴³ thereby reducing the likelihood of convicting perpetrators.

³⁸ See generally Mental Health Foundation, *Fundamental Facts about Mental Health* (2016). www.mentalhealth.org.uk/sites/default/files/fundamental-facts-about-mental-health-2016.pdf

³⁹ Consultation with Hestia.org

⁴⁰ 2018 UK Annual Report on Modern Slavery: 18.

⁴¹ See generally the US Department of State, *Trafficking in Persons Report July 2015* (2015). www.state.gov/documents/organization/245365.pdf

⁴² It is currently unclear how changing Home Office policy will be applied following *NN NN and LP v Secretary of State for the Home Department* [2019] EWHC 766 (Admin). It is therefore unclear what impact this would have on victims’ participation in criminal proceedings.

⁴³ *Ibid.*

64. Involvement in investigations and or prosecution of these crimes can prove stressful and traumatic for victims. Providing information or witness testimony to authorities and participating in court proceedings may require victims to recount their experiences and can lead to re-traumatisation. Absent surrounding support services, this decreases the likelihood of their providing reliable evidence.

65. Access to safe housing and services, including sustained emotional, psychological, and financial support can help victims participating in criminal proceedings cope with the experience, alleviate their fears of retribution, and reduce the risk of their disappearing or becoming hostile witnesses. Reducing the actual and perceived vulnerability of victims can have a positive impact on their capacity to cooperate with authorities and meaningfully participate in proceedings against perpetrators.

66. Palm Cove Society have reported that through their support schemes, which provide intensive support, immigration, and financial assistance, they have witnessed victims' increased ability to maintain meaningful interaction with investigating detectives.

67. Research also demonstrates a positive correlation between effective longer term support for victims and higher rates of engagement with the authorities. Based on the provision of three components of increased support—longer term support workers, longer term immigration status, and legal representation through the prosecution process—Bakhita House and Hope for Justice reported 58% and 73% victim engagement with the authorities respectively, which is significantly higher than the UK average.⁴⁴

68. The research therefore suggests that S.48B will increase the quantity and quality of victim participation in prosecutions, and consequently increase the likelihood of success of criminal justice processes relating to modern slavery. This increases the effectiveness of government spending on criminal justice proceedings against perpetrators.

6. Re-trafficking and associated criminal activity

69. Incidents of re-trafficking represent an increase in criminal activity. With human trafficking related to organised crime, the social and economic cost to the UK has been estimated by the Home Office to amount to many billions of pounds, and with major impacts on the UK.⁴⁵

70. There is evidence that perpetrators deliberately target vulnerable identified victims and groups for exploitation.⁴⁶ Both victims and first responders in the UK have reported that victims of modern slavery are being targeted at shelters and re-trafficked. Despite support provided under the status quo, people with positive conclusive grounds decisions remain extremely vulnerable when the support available to them under the NRM is terminated. Appropriate support, which includes financial support, would make victims less vulnerable to traffickers and therefore also reduce incidents of re-trafficking.

⁴⁴ Nusrat Uddin, *The Fight Against Modern Slavery and Human Trafficking* (2017) 23.

www.wcmt.org.uk/sites/default/files/report-documents/Uddin%20N%20Report%202017%20Final%20Final.pdf

⁴⁵ See Home Office, *Understanding Organised Crime*, above n 4.

⁴⁶ Home Office, *A Typology of Modern Slavery Offences in the UK* (Research Report 93, 2017) v. www.antislaverycommissioner.co.uk/media/1190/a-typology-of-modern-slavery-offences.pdf

71. In some cases, victims are forced or manipulated into committing other crimes. This increase in criminal activity requires a corresponding increase in the allocation of resources in the criminal justice system including resource intensive operations in the areas of law enforcement and prosecution. The support provided under S.48B reduces the risk of re-trafficking, thereby decreasing the burden on law enforcement.

72. Re-trafficking can also result in victims requiring repeated recourse to support services rather than benefiting from effective interventions that address their vulnerabilities and help to break cycles of exploitation. Furthermore, the benefits of initial support interventions, which aim to help victims to recover from their exploitation, are substantially decreased when re-trafficking occurs. Although increasing base expenditure on victim support services, S.48B will increase the efficiency of spending and decrease the high economic cost of re-trafficking for the State.

7. Impact on public services

73. It is clear that victims have multiple and complex needs. The impact of slavery leaves many victims with physical conditions that require treatment in order to prevent their health from deteriorating. A failure to provide appropriate care and support is likely to produce a deterioration in the physical, mental and emotional health and wellbeing of victims. This lack of support increases victims' risk of becoming homeless, compounds their vulnerability (including vulnerability to re-trafficking), and can result in additional health complications.

74. Without the stability provided by the support proposed under S.48B, and detailed in S.48C(1)(c), victims seek help on an ad hoc or 'emergency only' basis which is more costly and less effective than sustained access to more comprehensive medical care. Together with access to sustained accommodation, the provision for 12 months of support that includes medical advice and treatment (including psychological assessment and treatment) therefore entails cost savings, as such treatment is significantly cheaper than emergency interventions and the development of chronic illnesses that could be avoided with earlier intervention.

75. Failures to address health conditions early can also result in the development of more serious health conditions, which in turn increase the costs of medical interventions and harm victims' future employment opportunities.



I sit like this whenever I am depressed. My dream is to become an accountant but because of the situation we are in now, we can't easily access education. If you want to go to university you need resources, back-up, connections.

Photo: Efe Bella

Part III: Costs

76. As the Bill includes provision (S.48A) to guarantee in law the support that is already provided on a non-statutory basis, this analysis provides an estimate of the additional costs of implementing S.48B—providing an additional 12 months of support for conclusive victims.

77. Under the proposed reforms, support will be provided for a period of 12 months following a positive conclusive grounds decision. For the purposes of this analysis, the associated costs are broken down into the following categories:

- i. Accommodation, and subsistence or financial assistance.
- ii. Healthcare
- iii. Support workers
- iv. Translation and interpretation services
- v. Repatriation

8. Accommodation, subsistence, and financial assistance

8.1. Costs of universal credit under S.48B

78. Disaggregated data on the cost of housing under the Salvation Army Victim Care and Coordination contract is not available. It therefore cannot be used as the basis for calculating the cost of support for victims.

79. In line with the intentions of the Bill, which aims to provide victims with housing and financial assistance through the benefits system (as is done at present for victims with discretionary leave), the costs of subsistence and accommodation are calculated on the basis of current universal credit costs. Under the current system, those granted discretionary leave have recourse to public funds with no prohibition on work.⁴⁷ Benefits are calculated separately for those people who have dependents, and for those who do not, based on the age proportions of people falling within the two age brackets for universal credit allowance (under 25, and 25 or over), and differentiating between people referred within, or outside, the Greater London area.

80. Calculations have been disaggregated between standard allowance, disability or health condition resulting in limited capability for work allowance, housing allowance, extra allowance for children, and childcare costs. Where these calculations resulted in a total cost for a particular group exceeding the benefits cap for that group (based on location and dependents), the cap has been applied.

81. Because data is not available to determine the relationship status of each conclusive victim for the year under which they would be receiving support under S.48B, benefits have been calculated as if each person would receive benefits as a single adult. This may create an overestimate of the costs of benefits, as overall support provided for people in couples is less per person than that provided to single adults.

⁴⁷ Home Office, *Discretionary Leave Considerations for Victims of Modern Slavery* (10 September 2018) 11. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/739436/dl-for-victims-of-modern-slavery-v2.pdf; Universal Credit: www.gov.uk/universal-credit/what-youll-get,

82. NCA statistics do not demonstrate the number of people referred into the NRM or conclusive victims who are caring for dependents. Hestia reported that, for the 870 women they cared for in 2017, they also cared for 315 dependent children, resulting in an estimate of 36% of female victims having children—a total of 20% of all conclusive victims. These numbers have been used to calculate the proportion of conclusive victims who would be caring for dependants during their time in support under S.48B.⁴⁸

83. Because there is no data available on the number of children per person in the Hestia figures, it is not possible to identify how many children would be second or subsequent children for the purpose of universal credit calculations. All children are therefore calculated as a first child for the purposes of this calculation. This creates an over-count on the estimated number of caregivers, as some children in Hestia's care would have been second or subsequent children for which payments are lower.

84. NCA statistics demonstrate that 55% of NRM adult referees in 2017 in both England and Wales were women.⁴⁹ Calculations are based on female victims on the assumption that the majority of carers would be female, however it is recognised that there will also be male carers that apply to this cohort. Entitlements for this group are offset by the over-count on entitlements for women with more than one child.

85. A lack of available data also makes it impossible to determine the proportion of conclusive victims who reside in the Greater London area after exiting the NRM. Further, NCA statistics on NRM referrals do not differentiate between all referrals on the basis of location, but on the basis of referring agency. While most referring agencies do not operate in set geographic areas, Local Authority and Police referrals are identified against the area in which they occurred. For these agencies, it is therefore possible to identify the relative proportions of people that are referred inside, and outside, the Greater London area. In 2017, 16% of local authority and police referrals were referred by authorities from the Greater London area, while 84% were referred from outside. Assuming that this proportion remains constant between Local Authority and Police referrals, and referrals by other agencies, and between referrals and positive conclusive grounds decisions, this results in an estimate of between 196 up to 218 conclusive victims residing in the Greater London area, and between 1,035 up to 1,155 conclusive victims outside Greater London.

86. NCA statistics do not identify the ages of people referred beyond differentiating between child and adult referrals. However, universal credit entitlements differ if beneficiaries are under the age of 25. Palm Cove Society reported that, of 259 survivors supported between April 2018 and May 2019, 18 were aged 18-20, 52 were aged 21-25 (under 25), and 189 were 25 or over. In the absence of other data on the age distribution of adult victims, these figures have been used as the basis for estimating the number of people under 25 in this report. 27% of conclusive victims referred in 2017 are therefore estimated as under 25 for the purpose of calculating universal credit entitlements, with the remaining 73% calculated as 25 or over.

87. There is no data available to identify the proportion of conclusive victims who would qualify as having a disability or health condition resulting in limited capability for work. However, between 90 to 95% of conclusive victims are estimated to experience depression, anxiety, and other mental health conditions, between 5% to 28% of victims (depending on the exploitation type) experience alcohol dependency, 1% to 5% experience drug dependency

⁴⁸ This assumes that the gender balance of conclusive victims reflects the balance of referrals and remains constant.

⁴⁹ England: 1,509 women compared to 1,241 men. Wales: 60 women compared to 40 men.

(depending on exploitation type), and 75% to 88% experience back pain.⁵⁰ We have therefore calculated entitlements to this benefit for all conclusive victims. This produces an overestimate on entitlements, as not all victims will be entitled in fact.

88. In the absence of data on the actual costs of housing for conclusive victims, housing allowances have been calculated on the basis of the average of maximum allowances within the Greater London area, and outside, respectively.⁵¹ Given entitlements reflect the actual costs of housing, not all of which will reach the threshold, this creates an over-estimate on the cost of housing allowances.

89. For people aged under 25 not living with partners, entitlement to housing support is limited to rent for a single room in a shared house.⁵² Housing allowances for all conclusive victims without dependents has been calculated on this basis. Although some victims will be over 25, and therefore potentially entitled to a slightly higher allowance, this is considered to be offset by those victims whose actual housing costs will not reach the cap.

90. People living with dependents are entitled to housing support for multiple bedrooms. With a single dependent, a person would be entitled to support for 2 bedrooms, whereas second and subsequent children may, or may not, result in entitlement to additional bedrooms. The entitlement to additional bedrooms for second and subsequent dependants is limited by a presumption of shared bedrooms for all children under the age of 10, and children aged from 10 and under 16 of the same gender. We have calculated a bedroom for every child on the basis they are the first child. The calculation for all dependents therefore exceeds the number of bedrooms that would be allocated for second and subsequent children, resulting in an overestimate on entitlements to additional bedrooms for dependents.

91. There is no data available on the date of birth of the dependents of conclusive victims referred to the NRM in 2017. The higher additional allowance for children born before 06 April 2017 is therefore used as the upper bound for calculations, and the lower allowance for children born on or after this date is used as the lower bound. In practice, more dependents of conclusive victims will fall into the latter bracket as time goes on, reducing the cost of the allowance for children. Calculating each child as the first child also results in an overestimate on childcare allowances, which in practice would be reduced for second and subsequent children.

Summary of cost of universal credit for all conclusive victims

92. In the light of the above, the total cost associated with providing universal credit for conclusive victims for 12 months is estimated to be between **£15.5m** and **£17.4m**.

⁵⁰ Home Office, above n 22.

⁵¹ www.gov.uk/government/publications/local-housing-allowance-lha-rates-applicable-from-april-2017-march-2018

⁵² www.gov.uk/housing-and-universal-credit/renting-from-private-landlord; www.gov.uk/government/publications/local-housing-allowance-lha-rates-applicable-from-april-2017-march-2018

8.2. Costs of universal credit under the status quo

93. Some people who would be entitled to support under S.48B have existing entitlements under the status quo that offset the total cost of financial assistance. UK nationals, asylum seekers, and people granted leave to remain during the period in which they would receive support under S.48B all have entitlements under existing provision.

UK nationals

94. Under the status quo, all UK nationals would be entitled to benefits through the universal credit system. Because the costs of universal credit benefits in this report have been calculated for 100% of all conclusive victims, this creates a double count on these entitlements.

95. This represents a cost already being incurred of between £759,200 and £853,600.

Asylum seekers

96. Under the Immigration and Asylum Act 1999, asylum seekers are entitled to accommodation while the Home Office assesses their application. The Government has committed to providing a decision within six months on all straightforward asylum claims and within a year for all cases considered to be 'non-straightforward'.⁵³ Although Home Office guidance suggests that asylum claims 'will usually be decided within 6 months',⁵⁴ evidence suggests that decisions often take substantially longer, with some people accommodated for five years without a decision.⁵⁵ Home Office Immigration Statistics suggest that, for initial decisions made in 2017, 53% were made within the 6 month period, while the remaining 47% were decided in over 6 months.⁵⁶

97. The cost of accommodation during these periods is costed at 6 months and 12 months respectively. Given the substantially longer decision times identified in official reports, this is likely to represent a conservative estimate, offsetting those cases in which a decision is reached in these brackets in less than 6 and 12 months respectively.

98. Home Office payment rates to SERCO, a provider of asylum accommodation, are £11.71 per person, per day for dispersed accommodation.⁵⁷ Under the status quo, conclusive victims seeking asylum are eligible for NASS accommodation. Under S.48B, however, these individuals would no longer be housed in NASS accommodation because of the granting of discretionary leave to remain for the 12 month period. This creates a saving for the proportion of conclusive victims who would otherwise be eligible for NASS accommodation.

99. While asylum applications are processed, asylum seekers are entitled to weekly subsistence of £37.75 per person in their household. For conclusive victims seeking asylum, this entitlement continues post- NRM while their asylum application is considered. Under the proposed reform, this entitlement would cease when a positive conclusive grounds decision is reached and conclusive victims are granted discretionary leave to remain, creating a saving for the period that the individual would otherwise have been eligible for asylum benefits.

⁵³ House of Commons Home Affairs Committee, *Asylum Accommodation, Twelfth Report of 2016-17* (HC637, 31 January 2017) 8. <https://publications.parliament.uk/pa/cm201617/cmselect/cmhaff/637/637.pdf>.

⁵⁴ UK Government, 'Claim Asylum in the UK': www.gov.uk/claim-asylum/decision.

⁵⁵ House of Commons Home Affairs Committee, above n 53.

⁵⁶ UK Government, *Immigration statistics, October to December 2017: Data Tables Second Edition Immigration Statistics* (2018). Data tables available at www.gov.uk/government/publications/immigration-statistics-october-to-december-2017/how-many-people-are-detained-or-retained

⁵⁷ House of Commons Home Affairs Committee, above n 53. See also the Home Office asylum statistics, www.gov.uk/government/publications/immigration-statistics-july-to-september-2016/list-of-tables#asylum Volume 2, 03q.

100. Because universal credit accommodation has been costed for 100% of conclusive victims in this Report, the associated benefits are calculated for 100% of those who would otherwise have been eligible for NASS housing (i.e. all asylum seeking conclusive victims).

101. This results in a cost already being incurred of between **£2.5m** and **£2.7m** for entitlements to asylum support under the status quo.

People granted discretionary leave, asylum, or other forms of immigration leave

102. In 2015, 20.7% of conclusive victims were granted asylum, 12% were granted discretionary leave to remain, 0.7% were granted humanitarian protection, and 0.5% were granted other forms of immigration leave.⁵⁸ In the absence of data on asylum for the year 2017, these proportions have been applied to referrals for 2017 for the purpose of calculations in this report. Leave to remain entails an entitlement to public funds.

103. In the absence of data on the processing times for discretionary leave to remain, processing times based on asylum claim processing data have been applied to each of these categories of people. Given that 53% of decisions are made within six months, this creates a double count on 6 months of universal credit included in the costs.

105. Given that the costs of universal credit in this report are calculated on the basis of the entitlement of 100% of victims under the proposed reform, this results in a cost already being incurred of between **£1.4m** and **£1.6m**.⁵⁹

Summary of universal credit costs under the status quo

106. The above results in a cost already being incurred of between **£4.6m** and **£5.2m** for entitlements of conclusive victims granted discretionary leave to remain, asylum, and other forms of immigration leave within six months, for the six months after their decisions would have been processed.

8.3. Reduction in benefits based on employment

107. Beyond employment benefits outlined in Section 2, all conclusive victims re-entering employment within the 12 months they would receive support under S.48B would also produce an additional benefit in reducing the amount of universal credit they would claim. This would be true whether the victim in question was entitled to benefits because of S.48B or based on existing entitlements under the status quo. For those entitled to benefits under the status quo, this represents a direct benefit of the Bill. For those entitled to benefits as a result of the Bill, this is a cost saving on universal credit calculated in Section 8.1 above. Because calculations in this report combine these groups to determine the reduction in benefits accruing from re-entry into employment, this has been presented as a reduction in the costs calculated in Section 8.1.

108. The proportion of conclusive victims re-entering employment within the first 12 months after exiting the NRM, and in which they would be receiving S.48B support are calculated by reference to Palm Cove Society data on the employment prospects of people

⁵⁸ Annex B, www.parliament.uk/documents/commons-committees/work-and-pensions/Letter-from-Sarah-Newton-MP-to-Chair-re-modern-slavery-session-17-2-2017.pdf

⁵⁹ See www.gov.uk/government/publications/universal-credit-work-allowances/universal-credit-work-allowances. All those identified are non-EEA nationals, meaning that there is no double up between paragraphs 21 and 22.

receiving support under the NRM Pilot Scheme (Section 2.1). Consistent with the approach outlined in this Section, benefit entitlements are offset from 0.5 months for 6.9% of victims, 3.5 months for 8.6%, and 9 months for 8.6%.

109. Under the universal credit system, re-entering employment results in a gradual reduction of benefit entitlements. Beneficiaries supporting dependents or with limited capability for work have a monthly work allowance of £287 if they are receiving housing support in their universal credit payments. Recognising that 20% of conclusive victims are supporting dependents, that all are calculated as having a disability or health condition resulting in limited capability for work, and that housing support is calculated for all victims, this work allowance is applied to 100% of victims re-entering work. This results in an under-estimate of the reductions in benefits resulting from victims re-entering employment, as some will cease qualifying as having limited capability for work during this period (supported by their re-entry into full-time employment).

110. The universal credit taper rate is currently 63%, with the result that benefits are reduced by 63p for every £1 earned beyond the work allowance. Working on the basis of the average weekly wage (see paragraph 34), this results in a reduction on benefits of £936.73 per month. For people without dependents living outside London this exceeds benefit entitlements, and therefore the reduction is limited to £869.97 for people under 25 and £936.02 for those 25 and over per month—the total benefit entitlement for these groups.

Table 8. Universal credit entitlements⁶⁰

	Monthly Universal Credit entitlement		Monthly reduction in entitlements
	Lower bound	Upper bound	
People with dependents			
People under 25 in London	£1,916.67	£1,916.67	£ 936.73
People 25 & over in London	£1,916.67	£1,916.67	£ 936.73
People under 25 outside London	£1,372.26	£1,417.67	£ 936.73
People 25 & over outside London	£1,438.31	£1,483.72	£ 936.73
People without dependents			
People under 25 in London	£ 995.25	£ 995.25	£ 936.73
People 25 & over in London	£1,061.30	£1,061.30	£ 936.73
People under 25 outside London	£ 869.97	£ 869.97	£ 869.97
People 25 & over outside London	£ 936.02	£ 936.02	£ 936.02

111. Given re-entry into employment, conclusive victims supporting dependents would also become eligible for additional support for up to 85% of the actual spend on childcare up to a maximum of £646.35 a month for a single child, and £1,108.04 for two or more children.⁶¹ In the absence of data on the actual costs required by conclusive victims for childcare when they re-enter employment, or the proportion of people who reclaim childcare costs, childcare costs have been calculated based on the maximum entitlement, and for each child as a single

⁶⁰ Universal credit entitlements calculated include standard allowance, housing benefit, allowances for dependants, childcare costs, and additional payments for disability or health condition resulting in limited capacity for work.

⁶¹ www.gov.uk/universal-credit/what-youll-get

child. This creates an over-estimate of the cost of childcare resulting from people re-entering employment.

112. Reduction in benefits paid to those re-entering employment within the 12 months they would be receiving support under the Bill is estimated to be between £1.7m and £2.0m (see Annex 3, Table 3C).

Summary of the net cost of universal credit for all conclusive victims

113. Accounting for the costs of provision of 12 months of universal credit for all conclusive victims, and cost reductions based on entitlements under the status quo and re-entry into employment during the first 12 months post-NRM, the cost of providing accommodation, subsistence and financial assistance to victims is estimated to be between **£9.1m** and **£10.3m**.

9. Healthcare

114. The right to health care is already available for all conclusive victims under the NHS through Regulation 16 of the National Health Service (Charges to Overseas Visitors) Regulations 2015.⁶² Because entitlements to healthcare under the status quo already cover all those with positive conclusive grounds decisions, and in the absence of evidence to support an increase in those actually accessing healthcare, we have not included the costs and benefits of healthcare in this report.

10. Support workers

115. Access to support workers is crucial to victim recovery and engagement with the authorities. Comparative research by Uddin (2017) reveals that the majority of victims who had engaged with prosecutions identified that having a support worker was a key element in enabling them to do so. Support workers can assist with victims' socio-economic issues in order to help them stabilise enough to engage with the authorities. Since victims felt that their distrust of authorities was a considerable hurdle in them approaching the police, having the support of a confidante they are able to build a trusting relationship with over a significant period of time is crucial to aid their engagement with the criminal justice system. Long-term support workers can offer socio-economic help as well as pastoral support.⁶³

116. Estimated costs for support workers are based on estimates supplied by frontline NGOs providing this support under the status quo (but not funded by the Victim Care and Coordination contract). Information supplied to CARE by the Birmingham Methodist District's Adavu project, a project that provides support to victims of modern slavery in the West Midlands, indicates that support for 31 victims, including a project manager at 0.6 FTE and support worker at 0.8 FTE, would cost approximately £45,000 per annum. City Hearts report direct staffing costs associated with supporting 265 victims via their Integration Support Programme model at £146,000 per annum. These estimates reflect a cost of £1,452 and £551 per person, per annum respectively, and provide the upper and lower bounds for the estimates of the costs of support workers in this report.

⁶² www.legislation.gov.uk/ukxi/2015/238/regulation/16/made

⁶³ Nusrat Uddin, *The Fight Against Modern Slavery and Human Trafficking* (2017) 6.

www.wcmt.org.uk/sites/default/files/report-documents/Uddin%20N%20Report%202017%20Final%20Final.pdf

117. It is assumed that similar arrangements could be replicated across England and Wales to meet the provisions of S.48B. The expectation is that the support worker would, among other things, provide the support listed in S.48C as “appropriate information on any matter of relevance or potential relevance to the particular circumstances of the person” and “assistance in obtaining specialised legal advice or representation”.

118. The estimated total cost of providing for support workers over a 12-month period amounts to between **£678,000** and **£2.0m**, depending on the model used for providing support.

Summary of cost of support work

119. The estimated total cost of providing support workers over a 12-month period amounts to between **£678,000** and **£2.0m**

11. Translation and interpretation

120. 19% of conclusive victims originated from countries where English is a primary language, leaving 81% of conclusive victims likely to require translation services (Annex 1).⁶⁴

121. Interpretation has been estimated following discussion with NGOs assuming conclusive victims would need ongoing assistance with translation relating to, for instance, healthcare, monitoring and recording, NGO support, financial and legal assistance, accommodation, and prosecutions.

122. Interpretation costs are calculated for two hours of interpretation per person, per week, over the 12-month period. This likely produces an overestimation as NGOs report that translation requirements are likely to be lower over the 12 months as a whole, with higher demand in some periods, and lower in others. Calculations are based on the standard rates for freelance government interpreters: £48 for the first hour and £16 per hour thereafter.⁶⁵

123. In the absence of data on translation use, it is assumed that translators will be used efficiently such that the ‘first hour’ rate would not be charged for each victim, but rather that one translator would be used to assist multiple victims who speak the same language. This further assumes that victims who speak the same language are in close proximity to one another, and are coordinated by support workers and organisations. These assumptions likely result in an underestimation of costs which are offset against the overestimation of required interpretation hours above.

Summary of cost of translation and interpretation services

122. The total estimated cost for translation and interpretation is between **£3.4m** and **£3.7m**

⁶⁴ Translator costs do not include cost of transport or subsistence. Costed at 2 hours per person per week.

⁶⁵ UK Visas and Immigration, ‘Rates for Freelance Interpreters’ (last updated 2015). £16 per hour for services provided from 0800h-1800h. Available at: www.gov.uk/government/publications/guidance-for-interpreters/guidance-for-interpreters

12. Repatriation and risk assessment

125. UK Visas and Immigration policy provides for financial support for voluntary return to a person's country of origin in circumstances that apply to victims of modern slavery.⁶⁶

126. There is no evidence to suggest the proportion of conclusive victims to which this applies, nor to indicate the nature of potential changes caused by the proposed reforms. As such, we have assumed repatriation costs will not be affected by the introduction of S.48B and net to zero.

127. Risk assessments have not been calculated for this Report. Without data as to whom would carry out the risk assessments proposed under S.48C(1)(i) and what these would entail, whether these would be subsumed within existing provision to assist with repatriation, and/or fall within the support worker's role, the authors were unable to calculate any potential added cost.



...it's my footprint. Another person match the foot, it will be scattered – so this is me.

Photo: Sarah Oluwatimileyin

⁶⁶ Support for 'voluntary return' is available to non-EEA nationals who are in the UK illegally, have overstayed their permission to stay or wish to withdraw a claim for asylum and EEA nationals who are victims of modern slavery. See www.gov.uk/return-home-voluntarily/who

Conclusion

128. It is of critical importance that victims of modern slavery have access to appropriate care, support, and services. As well as benefitting victims and the wider society of which they form a part, increased provision of victim support and services carries significant economic benefits.

129. With adequate support, victims of modern slavery are:

- better placed to become economically active members of society, securing employment where appropriate;
- at lower risk of becoming homeless, resulting in less recourse to costly public/emergency health services and temporary housing;
- at lower risk of being re-trafficked or subjected to other forms of exploitation; and
- better able to participate in the investigation and prosecution of perpetrators.

130. Given the value of human capital—that is, the measure of the ‘knowledge, skills, competencies and attributes embodied in individuals that facilitate the creation of personal, social and economic well-being’⁶⁷—the additional support proposed for victims of modern slavery has potential to positively impact future economic growth.

131. The evidence, based on interviews with victims, published research, and consultation, is that the support proposed under SS.48B-C would make a difference to efforts to address modern slavery in the UK.

132. Recognising the lack of available data and the assumptions that have had to be made to undertake this analysis, the indications are that the benefit of additional support proposed in the Bill will be commensurate with, or slightly higher than, the cost – if not greater given that calculations throughout have been overly conservative and in the light of the number of unquantifiable benefits.

⁶⁷ Organisation for Economic Co-operation and Development, *The Well-Being of Nations: The Role of Human and Social Capital* (OECD, 2001). www.oecd.org/site/worldforum/33703702.pdf

Conclusion

133. The table below summarises the total cost and benefit ranges outlined in this report. Calculations throughout this report are based on a positive conclusive decision rate of between 43% and 48% (1,231-1,374 people), as well as upper and lower bounds on costs per person and the proportion of people within a group to whom the various items apply when such were available in the data. The summary table below therefore sets out the upper and lower bound estimates for each positive conclusive grounds decision rate.

Table 9. Summary costs and benefits⁶⁸

Parts I-II: Benefits	Estimates on 43% positive CGD rate		Estimates on 48% positive CGD rate	
	Lowest benefit	Highest benefit	Lowest benefit	Highest benefit
Reduction in homelessness	£12,187,957	£13,406,753	£13,605,161	£14,965,677
Employability (direct benefits)	£3,199,326	£5,643,736	£3,571,340	£6,299,984
Employability (indirect benefits)	£9,421,303	£16,619,547	£10,516,803	£18,552,052
Unquantified benefits	-	-	-	-
Sub-total direct benefits	£15,387,283	£19,050,488	£17,176,501	£21,265,662
Sub-total indirect benefits	£9,421,303	£16,619,547	£10,516,803	£18,552,052
Total benefits	£24,808,585	£35,670,035	£27,693,304	£39,817,714

Part III: Costs	Lowest cost		Highest cost	
	Lowest cost	Highest cost	Lowest cost	Highest cost
Universal credit	£9,146,709	£9,243,129	£10,210,280	£10,317,912
Healthcare	-	-	-	-
Support workers	£678,024	£1,786,442	£756,864	£1,994,168
Translation and interpretation services	£3,354,753	£3,354,753	£3,744,841	£3,744,841
Repatriation costs	-	-	-	-
Total costs	£13,179,487	£14,384,324	£14,711,985	£16,056,920

Net cost of S.48B support (direct benefits)	Minimum cost	Maximum cost	Minimum cost	Maximum cost
	-£5,871,002 ⁶⁹	-£1,002,958 ⁷⁰	-£6,553,676	-£1,119,581
Net cost of S.48B support (direct and indirect benefits)	Minimum cost	Maximum cost	Minimum cost	Maximum cost
	-£22,490,549	-£10,424,261	-£25,105,729 ⁷¹	-£11,636,384 ⁷²

134. The net costs of S.48B are calculated for each positive conclusive grounds decisions rate. To determine the full range of potential costs, the lowest possible benefit is subtracted from the highest cost to produce the maximum cost, and the highest possible benefit is subtracted from the lowest possible cost to determine the minimum cost. All net costs are negative, indicating a net benefit in each category.

⁶⁸ All rounding carried out after calculations. This may result in minor apparent discrepancies.

⁶⁹ Net cost of S.48B support (direct benefits) 43% minimum cost = 43% lowest cost – 43% highest direct benefit = 13,179,486.70 – 19,050,488.49 = -5,871,001.79 (benefit of £5.9m)

⁷⁰ Net cost of S.48B support (direct benefits) 43% maximum cost = 43% highest cost – 43% lowest direct benefit = 14,384,324.41 – 15,387,282.59 = -1,002,958.18 (benefit of £1.0m)

⁷¹ Net cost of S.48B support (direct and indirect benefits) 48% minimum cost = 48% lowest cost – 48% highest total benefit = 14,711,985.15 – 39,817,713.81 = -25,105,728.66 (benefit of £25.1m)

⁷² Net cost of S.48B support (direct and indirect benefits) 48% maximum cost = 48% highest cost – 48% lowest total benefit = 16,056,920.27 – 27,693,304.31 = -11,636,384.04 (benefit of £11.6m)

135. Although it is difficult to predict the exact savings and benefits generated by S.48B, the data provided in this Section supports a conclusion that the direct tangible benefits of additional support would be between £12,500 and £15,500 per conclusive victim. Had the Bill been introduced for 2017, it would have generated direct benefits estimated to be between £15.4m and £21.3m for conclusive victims referred in that year.

136. The cost of implementing S.48B is estimated to be between £10,700 and £11,700 per conclusive victim, representing a total cost of between £13.2m and £16.1m for all adult conclusive victims referred in England and Wales in 2017.

137. This means that the Bill would provide extensive additional support to victims of modern slavery, while also producing a net economic benefit of between £815 and £4,771 per conclusive victim. The net direct benefit of implementing S.48B for the 1,231-1,374 conclusive victims referred in 2017, is therefore estimated to be between £1.0m and £6.6m. Thus, even without accounting for indirect benefits outlined in Section 2.3, or the vitally important intangible benefits in Part II, **a financial benefit is estimated to result from the implementation of S.48B.**

135. The net direct benefits and savings resulting from providing 12 months of comprehensive support to all conclusive victims referred to the NRM in 2017 are therefore estimated to be between £1.0m and £6.6m.

I took this picture like someone who is in darkness, just coming out. Like they have been in darkness for years, now they come out to see the light.

Photo: Unity Jay



Annex 1: Baselines

Table 1A. Referral numbers 2013-2017⁷³

Year	Referrals	Conclusive Decisions		Pending	Suspended	Withdrawn
		Positive (CGD)	Negative (RG or CGD)			
2013	1,745	830	777	11	60	67
2014	2,339	981	1,103	124	57	74
2015	3,261	1,201	1,341	515	110	94
2016	3,804	1,133	1,325	1,168	67	111
2017	5,145	665	1,049	3,273	34	124

Table 1B. Decisions on conclusive cases as a percentage of total cases concluded 2013-2017⁷⁴

Year	Total cases concluded	Positive Conclusive Decisions	Negative decisions	Withdrawn	Suspended
2013	1,734	48%	45%	4%	4%
2014	2,215	44%	50%	3%	4%
2015	2,746	44%	49%	3%	4%
2016	2,636	43%	50%	4%	3%
2017	1,872	36%	56%	7%	2%

Table 1C. Estimated decisions on conclusive cases for 2017

Number of referrals	Percentage of referrals resulting in positive conclusive decisions		Number of referrals resulting in positive conclusive decisions	
	Lower bound	Upper bound	Lower bound	Upper bound
5,145	43%	48%	1,231	1,374

Table 1D. Asylum seekers⁷⁵

	Percentage of asylum seekers of all referees with positive conclusive grounds decisions in 2015	Estimated number of people with asylum based on 2017 referrals	
		lower	upper
People with positive conclusive grounds decisions seeking asylum	36.3%	447	499
People with positive conclusive grounds decisions granted asylum	20.7%	255	285
People with positive conclusive grounds decisions granted humanitarian protection	0.7%	8	9
People with positive conclusive grounds decisions granted discretionary leave	11.8%	148	165
People with positive conclusive grounds decisions granted other forms of immigration leave	0.5%	6	7

⁷³ Source: National Crime Agency. National Referral Mechanism Statistics. End of Year Summary 2017. Published 26 March 2018. The NCA Report indicates that it provides the current status of cases. The depressed number of positive decisions in 2017 reflects the high proportion of pending cases which remains in excess of 63%.

⁷⁴ Source: National Crime Agency. National Referral Mechanism Statistics. End of Year Summary 2017. Published 26.03.2018

⁷⁵ All those people with positive conclusive grounds decisions who sought asylum in 2015 were non-EEA nationals <https://publications.parliament.uk/pa/cm201617/cmselect/cmworpen/803/80305.htm> drawn from Annex B, www.parliament.uk/documents/commons-committees/work-and-pensions/Letter-from-Sarah-Newton-MP-to-Chair-re-modern-slavery-session-17-2-2017.pdf

Table 1E. Nationality of adult victims referred in England and Wales in 2017

Nationality	Number of Referrals	EEA status	Language	Nationality	Number of Referrals	EEA status	Language
Afghanistan	24	Non-EEA	Non-English	Lebanon	1	Non-EEA	Non-English
Albania	559	Non-EEA	Non-English	Liberia	2	Non-EEA	English
Algeria	1	Non-EEA	Non-English	Libya	1	Non-EEA	Non-English
Angola	1	Non-EEA	Non-English	Lithuania	24	EEA	Non-English
Antigua and Barbuda	1	Non-EEA	English	Malawi	8	Non-EEA	English
Argentina	1	Non-EEA	Non-English	Malaysia	14	Non-EEA	Non-English
Bangladesh	42	Non-EEA	Non-English	Mali	1	Non-EEA	Non-English
Belarus	1	Non-EEA	Non-English	Mauritius	7	Non-EEA	English
Belgium	1	EEA	Non-English	Mexico	3	Non-EEA	Non-English
Benin	1	Non-EEA	Non-English	Mongolia	2	Non-EEA	Non-English
Botswana	3	Non-EEA	English	Morocco	5	Non-EEA	Non-English
Brazil	7	Non-EEA	Non-English	Myanmar	11	Non-EEA	Non-English
Bulgaria	12	EEA	Non-English	Namibia	7	Non-EEA	Non-English
Burkina Faso	1	Non-EEA	Non-English	Nepal	6	Non-EEA	Non-English
Burundi	2	Non-EEA	Non-English	Netherlands	2	EEA	Non-English
Cameroon	20	Non-EEA	Non-English	New Zealand	1	Non-EEA	English
China	239	Non-EEA	Non-English	Nigeria	214	Non-EEA	English
Croatia	2	EEA	Non-English	North Korea	2	Non-EEA	Non-English
Cyprus	1	EEA	Non-English	Pakistan	85	Non-EEA	Non-English
Czech Republic	19	EEA	Non-English	Philippines	52	Non-EEA	Non-English
Democratic Republic of the Congo	10	Non-EEA	Non-English	Poland	86	EEA	Non-English
Djibouti	1	Non-EEA	Non-English	Portugal	5	EEA	Non-English
Dominican Republic	2	Non-EEA	Non-English	Romania	207	EEA	Non-English
Egypt	6	Non-EEA	Non-English	Senegal	6	Non-EEA	Non-English
El Salvador	1	Non-EEA	Non-English	Sierra Leone	5	Non-EEA	English
Eritrea	57	Non-EEA	Non-English	Slovakia	40	EEA	Non-English
Ethiopia	42	Non-EEA	Non-English	Somalia	12	Non-EEA	Non-English
Gambia	7	Non-EEA	English	South Africa	4	Non-EEA	English
Georgia	1	Non-EEA	Non-English	Sri Lanka	9	Non-EEA	Non-English
Germany	2	EEA	Non-English	St Lucia	2	Non-EEA	English
Ghana	38	Non-EEA	English	St Vincent & Grenadines	1	Non-EEA	English
Greece	2	EEA	Non-English	Sudan	74	Non-EEA	Non-English
Grenada	1	Non-EEA	English	Swaziland	1	Non-EEA	English
Guatemala	2	Non-EEA	Non-English	Sweden	1	EEA	Non-English
Guinea	6	Non-EEA	Non-English	Syria	5	Non-EEA	Non-English
Honduras	1	Non-EEA	Non-English	Tanzania	3	Non-EEA	English
Hungary	41	EEA	Non-English	Thailand	11	Non-EEA	Non-English
India	132	Non-EEA	Non-English	Tibet	1	Non-EEA	Non-English
Indonesia	2	Non-EEA	Non-English	Trinidad & Tobago	4	Non-EEA	English
Iran	22	Non-EEA	Non-English	Tunisia	1	Non-EEA	Non-English
Iraq	25	Non-EEA	Non-English	Uganda	15	Non-EEA	English
Israel	1	Non-EEA	Non-English	Ukraine	5	Non-EEA	Non-English
Italy	2	EEA	Non-English	United Kingdom	140	EEA	English
Ivory Coast	8	Non-EEA	Non-English	United States	1	Non-EEA	English
Jamaica	18	Non-EEA	English	Unknown	4	N/A	Non-English
Japan	1	Non-EEA	Non-English	Uzbekistan	1	Non-EEA	Non-English
Kazakhstan	1	Non-EEA	Non-English	Venezuela	1	Non-EEA	Non-English
Kenya	22	Non-EEA	English	Vietnam	324	Non-EEA	Non-English
Kosovo	3	Non-EEA	Non-English	Yemen	1	Non-EEA	Non-English
Kuwait	1	Non-EEA	Non-English	Zimbabwe	19	Non-EEA	English
Latvia	29	EEA	Non-English				

Annex 2: Benefits summary

Table 2A. Reduction in homelessness

Group	% of group		Cost per unit	Total number of victims applied to		Total cost	
	lower	upper		lower	upper	lower	upper
Non-EEA nationals not seeking asylum	50	55	£34,518.00	259	318	£8,943,930.49	£10,982,314.65
Non-UK EU nationals not granted LTR	50	55	£34,518.00	71	87	£2,437,844.24	£2,993,445.95
Non-UK EU nationals granted LTR in 6 months	50	55	£17,259.00	17	21	£293,489.86	£360,378.25
Non-UK EU nationals granted LTR in 12 months	50	55	£34,518.00	15	18	£512,692.27	£629,538.41
TOTALS						£12,187,956.86	£14,965,677.26

Table 2B. Employment in the first 12 months after exiting the NRM

	Cost per person	% of group	Number of conclusive victims		Total cost	
			lower	upper	lower	upper
People re-entering employment at 0.5 months						
Income tax	£2,607.43	6.9%	84.9	94.7	£221,300.96	£247,033.63
Employee’s national insurance contributions	£2,009.28	6.9%	84.9	94.7	£170,533.83	£190,363.34
Employer’s national insurance contributions	£2,310.68	6.9%	84.9	94.7	£196,114.23	£218,918.21
Net wage (indirect benefit)	£20,399.62	6.9%	84.9	94.7	£1,731,379.06	£1,932,702.20
People re-entering employment at 3.5 months						
Income tax	£1,927.23	8.6%	106.1	118.4	£204,462.84	£228,237.59
Employee’s national insurance contributions	£1,485.12	8.6%	106.1	118.4	£157,558.43	£175,879.18
Employer’s national insurance contributions	£1,707.89	8.6%	106.1	118.4	£181,192.49	£202,261.39
Net wage (indirect benefit)	£15,077.98	8.6%	106.1	118.4	£1,599,643.70	£1,785,648.78
People re-entering employment at 9 months						
Income tax	£680.20	8.6%	106.1	118.4	£72,163.36	£80,554.44
Employee’s national insurance contributions	£524.16	8.6%	106.1	118.4	£55,608.86	£62,075.00
Employer’s national insurance contributions	£602.79	8.6%	106.1	118.4	£63,950.29	£71,386.37
Net wage (indirect benefit)	£5,321.64	8.6%	106.1	118.4	£564,580.13	£630,228.98
Sub-total direct benefits					£1,322,885.29	£1,476,709.16
Sub-total indirect benefits					£3,895,602.88	£4,348,579.96
Total direct and indirect benefits					£5,218,488.17	£5,825,289.12

Table 2C: Employment beyond the first 12 months after exiting the NRM

Group	Cost per person		% of group	Number of conclusive victims		Total cost	
	lower	upper		lower	upper	lower	upper
People re-entering employment at 0.5 months							
Income tax	£113.37	£2,834.17	6.9%	36.4	40.7	£4,131.03	£115,284.60
Employee’s national insurance contributions	£87.36	£2,184.00	6.9%	36.4	40.7	£3,183.36	£88,837.95
Employer’s national insurance contributions	£100.46	£2,511.60	6.9%	36.4	40.7	£3,660.87	£102,163.81
Net wage (indirect benefit)	£886.94	£22,173.50	6.9%	36.4	40.7	£32,319.70	£901,945.20
People re-entering employment at 3.5 months							
Income tax	£793.57	£3,514.37	8.6%	45.6	50.9	£36,146.52	£178,691.13
Employee’s national insurance contributions	£611.52	£2,708.16	8.6%	45.6	50.9	£27,854.40	£137,698.83
Employer’s national insurance contributions	£703.25	£3,114.39	8.6%	45.6	50.9	£32,032.61	£158,353.91
Net wage (indirect benefit)	£6,208.58	£27,495.14	8.6%	45.6	50.9	£282,797.40	£1,398,015.07
People re-entering employment at 9 months							
Income tax	£2,040.60	£4,761.40	8.6%	45.6	50.9	£92,948.21	£242,097.66
Employee’s national insurance contributions	£1,572.48	£3,669.12	8.6%	45.6	50.9	£71,625.60	£186,559.70
Employer’s national insurance contributions	£1,808.36	£4,219.50	8.6%	45.6	50.9	£82,369.58	£214,544.01
Net wage (indirect benefit)	£15,964.92	£37,251.48	8.6%	45.6	50.9	£727,193.32	£1,894,084.93
People re-entering employment beyond the first 12 months							
Income tax	£2,720.80	£5,441.60	39.9%	210.6	235.1	£573,056.68	£1,279,382.35
Employee’s national insurance contributions	£2,096.64	£4,193.28	39.9%	210.6	235.1	£441,595.69	£985,888.05
Employer’s national insurance contributions	£2,411.14	£4,822.28	39.9%	210.6	235.1	£507,835.89	£1,133,773.14
Net wage (indirect benefit)	£21,286.56	£42,573.12	39.9%	210.6	235.1	£4,483,389.22	£10,009,427.09
Sub-total direct benefits						£1,876,440.44	£4,823,275.14
Sub-total indirect benefits						£5,525,699.64	£14,203,472.28
Total direct and indirect benefits						£7,402,140.08	£19,026,747.42

Note: benefits in this table are calculated for people who would have leave to remain beyond the 12 months they would be receiving support under the Bill. This includes UK nationals, non UK EEA nationals, and those granted asylum or humanitarian leave under the status quo.

Annex 3: Universal credit

Table 3A: Universal Credit costs for 12 months additional support under S.48B

	Cost per person		% of group		Number of conclusive victims		Total	
	lower	upper	lower	upper	lower	upper	lower	upper
People with dependents								
Standard allowance (single 25 or over)	£3,814.00	£3,814.00	73%	73%	178	199	£679,840.78	£758,892.03
Standard allowance (single under 25)	£3,021.00	£3,021.00	27%	27%	66	74	£199,464.77	£222,658.35
Disability or health condition with limited capability for work	£4,034.00	£4,034.00	100%	100%	244	273	£985,511.41	£1,100,105.76
Housing benefit (inside Greater London)	£13,490.00	£13,490.00	16%	16%	39	43	£523,638.75	£584,526.98
Housing benefits (outside Greater London)	£6,631.00	£6,631.00	84%	84%	205	229	£1,362,493.33	£1,520,922.79
Extra allowance for children	£2,780.00	£2,780.00	100%	100%	244	273	£679,100.02	£906,654.68
Childcare costs	£7,756.00	£7,756.00	0%	0%	-	-	-	-
Subtotal people under 25 in London	£23,000.00*	£23,000.00*	4%	4%	10	12	£241,287.60	£269,344.29
Subtotal people 25 & over in London	£23,000.00*	£23,000.00*	12%	12%	28	32	£651,476.51	£727,229.59
Subtotal people under 25 outside London	£16,467.00	£17,012.00	23%	23%	56	62	£914,417.39	£1,054,522.97
Subtotal people 25 & over outside London	£17,260.00	£17,805.00	61%	61%	145	167	£2,587,762.39	£2,979,865.55
Subtotal					244.28	272.68	£4,394,943.88	£5,030,962.40
People without dependents								
Standard allowance (single 25 or over)	£3,813.84	£3,813.84	72.97%	72.97%	719.79	803.49	£2,745,175.14	£3,064,381.56
Standard allowance (single under 25)	£3,021.24	£3,021.24	27.03%	27.03%	266.59	297.59	£805,432.32	£899,087.24
Disability or health condition with limited capability for work	£4,034.40	£4,034.40	100%	100%	986.38	1,101.08	£3,979,463.30	£4,442,191.59
Housing benefit (inside Greater London)	£4,887.34	£4,887.34	15.9%	15.9%	156.74	174.96	£766,027.81	£855,100.81
Housing benefit (outside Greater London)	£3,384.03	£3,384.03	84.1%	84.1%	829.65	926.12	£2,807,547.56	£3,134,006.57
Subtotal people under 25 in London	£11,942.98	£11,942.98	4.3%	4.3%	42.36	47.29	£505,921.13	£564,749.17
Subtotal people 25 & over in London	£12,735.58	£12,735.58	11.6%	11.6%	114.38	127.68	£1,456,641.23	£1,626,018.11
Subtotal people under 25 outside London	£10,439.67	£10,439.67	22.7%	22.7%	224.23	250.30	£2,340,872.99	£2,613,067.52
Subtotal people 25 & over outside London	£11,232.27	£11,232.27	61.4%	61.4%	605.42	675.81	£6,800,210.78	£7,590,932.97
Subtotal					986.38	1,101.08	£11,103,646.12	£12,394,767.77
Costs under the bill							£15,498,590.00	£17,425,730.17
Costs under the bill per conclusive victim							£12,593.72	£12,684.70

*Benefit cap applied

Table 3B: Universal credit costs under the status quo

Category	Cost per person		% of group		Number of conclusive victims		Total	
	lower	upper	lower	upper	lower	upper	lower	upper
UK nationals with dependents (subtotal)								
UK nationals under 25 with dependants in London	£23,000.00	£23,000.00	4.3%	4.3%	0.51	0.57	£11,819.55	£13,193.91
UK nationals 25 and over with dependants in London	£23,000.00	£23,000.00	11.6%	11.6%	1.39	1.55	£31,912.78	£35,623.56
UK nationals under 25 with dependants outside London	£16,467.07	£17,011.99	22.7%	22.7%	2.72	3.04	£44,793.01	£51,656.13
UK nationals 25 and over with dependants outside London	£17,259.67	£17,804.59	61.4%	61.4%	7.34	8.20	£126,762.33	£145,969.62
Subtotal					11.97	13.36	£215,287.66	£246,443.22
UK nationals without dependents (subtotal)								
UK nationals under 25 without dependants in London	£11,942.98	£11,942.98	4.3%	4.3%	2.08	2.32	£24,782.70	£27,664.41
UK nationals 25 and over without dependants in London	£12,735.58	£12,735.58	11.6%	11.6%	5.60	6.25	£71,354.01	£79,650.99
UK nationals under 25 without dependants outside London	£10,439.67	£10,439.67	22.7%	22.7%	10.98	12.26	£114,668.38	£128,001.91
UK nationals 25 and over without dependants outside London	£11,232.27	£11,232.27	61.4%	61.4%	29.66	33.10	£333,110.40	£371,844.16
Subtotal					48.32	53.94	£543,915.49	£607,161.47
Asylum seekers with dependents (subtotal)								
NASS accommodation (decision in 6 months)	£4,274.15	£4,274.15	53.4%	53.4%	47.38	52.89	£202,510.38	£226,058.10
Asylum subsistence (decision in 6 months)	£1,963.00	£1,963.00	53.4%	53.4%	47.38	52.89	£93,007.47	£103,822.29
Extra payments for young children 0-1 (decision in 6 months)	£130.00	£130.00	3.0%	3.0%	2.63	2.94	£342.19	£381.98
Extra payments for young children 1-3 (decision in 6 months)	£78.00	£78.00	5.9%	5.9%	5.26	5.88	£410.63	£458.38
NASS accommodation (decision in 12 months)	£8,548.30	£8,548.30	46.6%	46.6%	41.38	46.20	£353,761.82	£394,896.92
Asylum subsistence (decision in 12 months)	£3,926.00	£3,926.00	46.6%	46.6%	41.38	46.20	£162,473.11	£181,365.33
Extra payments for young children 0-1 (decision in 12 months)	£ 260.00	£ 260.00	2.6%	2.6%	2.30	2.57	£597.77	£667.27
Extra payments for young children 1-3 (decision in 12 months)	£156.00	£156.00	5.2%	5.2%	4.60	5.13	£717.32	£800.73
Subtotal					88.76	99.09	£813,820.70	£908,451.01
Asylum seekers without dependents (subtotal)								
NASS accommodation (decision in 6 months)	£2,137.08	£2,137.08	53.4%	53.4%	191.32	213.57	£408,865.20	£456,407.67
Asylum subsistence (decision in 6 months)	£ 981.50	£981.50	53.4%	53.4%	191.32	213.57	£187,780.59	£209,615.54
NASS accommodation (decision in 12 months)	£4,274.15	£4,274.15	46.6%	46.6%	167.11	186.54	£714,239.41	£797,290.51
Asylum subsistence (decision in 12 months)	£1,963.00	£1,963.00	46.6%	46.6%	167.11	186.54	£328,030.60	£366,173.69
Subtotal					358.43	400.10	£1,638,915.80	£1,829,487.40
People granted DLR, asylum, or other leave within 6 months with dependents (subtotal)								
Universal credit - under 25 with dependants in London	£11,500.00	£11,500.00	4.3%	4.3%	1.88	2.10	£21,671.44	£24,191.37
Universal credit - 25 and over with dependants in London	£11,500.00	£11,500.00	11.6%	11.6%	5.09	5.68	£58,512.88	£65,316.71

Universal credit - under 25 with dependants outside London	£8,233.53	£8,505.99	22.7%	22.7%	9.97	11.13	£82,129.13	£94,712.83
Universal credit - 25 and over with dependants outside London	£8,629.83	£8,902.29	61.4%	61.4%	26.93	30.06	£232,421.95	£267,639.01
Subtotal					43.88	48.98	£394,735.41	£451,859.92
People granted DLR, asylum, or other leave within 6 months without dependents (subtotal)								
Universal credit - under 25 without dependants in London	£5,971.49	£5,971.49	4.3%	4.3%	7.61	8.49	£45,439.71	£50,723.40
Universal credit - 25 and over without dependants in London	£6,367.79	£6,367.79	11.6%	11.6%	20.55	22.93	£130,829.40	£146,042.12
Universal credit - under 25 without dependants outside London	£5,219.84	£5,219.84	22.7%	22.7%	40.28	44.96	£210,247.38	£234,694.75
Universal credit - 25 and over without dependants outside London	£5,616.14	£5,616.14	61.4%	61.4%	108.75	121.40	£610,766.38	£681,785.73
Subtotal					177.19	197.79	£ 997,282.87	£1,113,246.00
Total costs under the status quo							£4,603,957.92	£5,156,649.03
Costs under the status quo per person							£3,741.05	£3,753.68

Table 3C: Employability reduction in benefits as a result of S.48B support

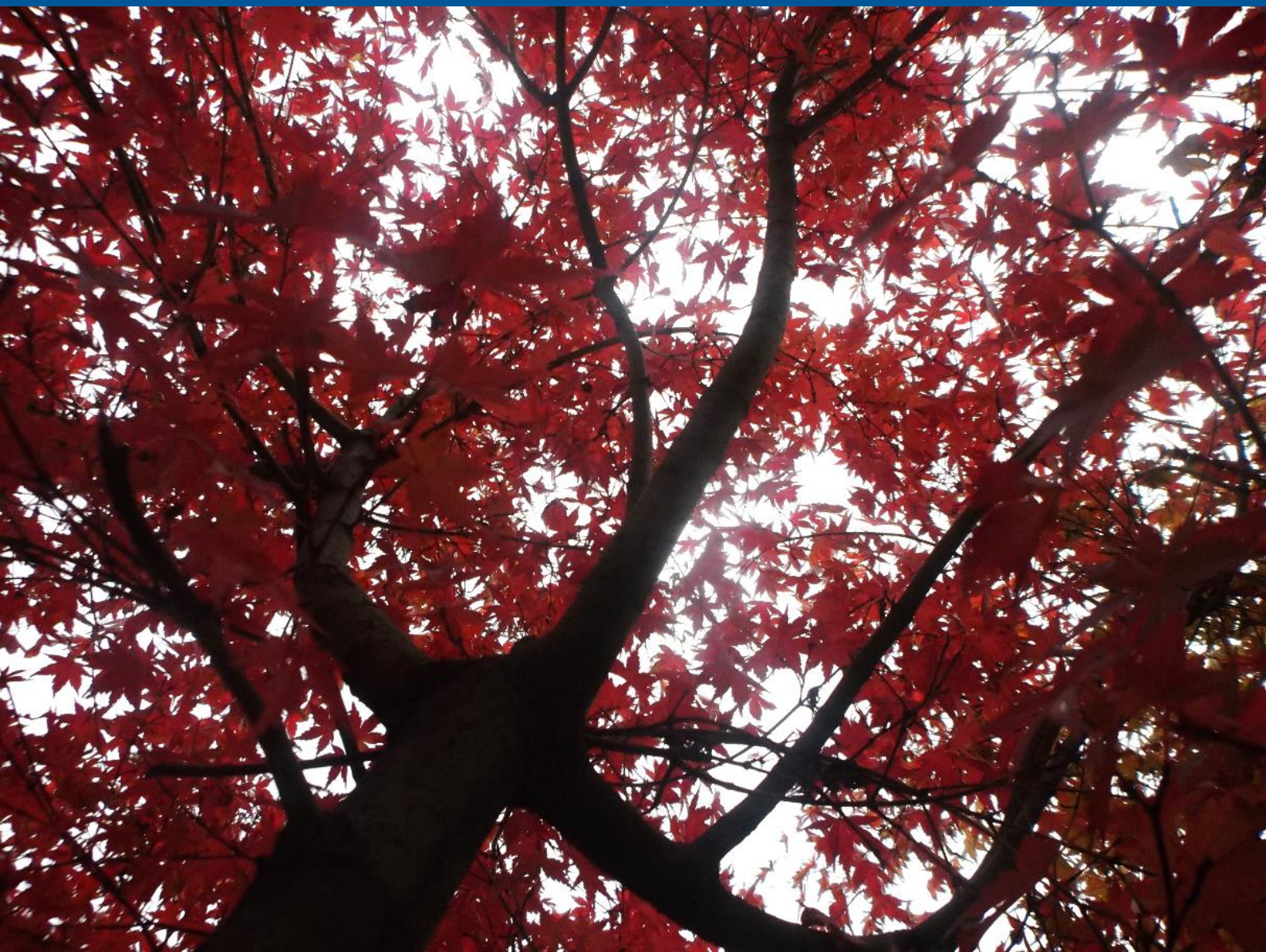
Category	Cost per person		% of group		Number of conclusive victims		Total	
	lower	upper	lower	upper	lower	upper	lower	upper
People with dependents re-entering employment at 0.5 months (subtotal)								
People under 25 in London	£10,772.45	£10,772.45	4.3%	4.3%	0.72	0.81	£7,793.88	£8,700.14
People 25 & over in London	£10,772.45	£10,772.45	11.6%	11.6%	1.95	2.18	£21,043.46	£23,490.38
People under 25 outside London	£10,772.45	£10,772.45	22.7%	22.7%	3.83	4.27	£41,254.80	£46,051.87
People 25 & over outside London	£10,772.45	£10,772.45	61.4%	61.4%	10.34	11.54	£111,387.96	£124,340.05
Childcare costs for all people with dependents	-£7,433.03	-£7,433.03	100%	100%	16.85	18.81	-£125,221.90	-£139,782.59
Subtotal					16.85	18.81	£56,258.20	£62,799.85
People without dependents re-entering employment at 0.5 months (subtotal)								
People under 25 in London	£10,772.45	£10,772.45	4.3%	4.3%	2.92	3.26	£31,471.42	£35,130.89
People 25 & over in London	£10,772.45	£10,772.45	11.6%	11.6%	7.89	8.81	£84,972.83	£94,853.39
People under 25 outside London	£10,004.69	£10,004.69	22.7%	22.7%	15.46	17.26	£154,712.87	£172,702.74
People 25 & over outside London	£10,764.26	£10,764.26	61.4%	61.4%	41.75	46.61	£449,439.22	£501,699.59
Subtotal					68.03	75.94	£720,596.34	£804,386.61
People with dependents re-entering employment at 3.5 months (subtotal)								
People under 25 in London	£7,962.24	£7,962.24	4.3%	4.3%	0.90	1.01	£7,200.86	£8,038.17
People 25 & over in London	£7,962.24	£7,962.24	11.6%	11.6%	2.44	2.73	£19,442.33	£21,703.07
People under 25 outside London	£7,962.24	£7,962.24	22.7%	22.7%	4.79	5.34	£38,115.85	£42,547.92
People 25 & over outside London	£7,962.24	£7,962.24	61.4%	61.4%	12.93	14.43	£102,912.79	£114,879.39

Childcare costs for all people with dependents	-£5,493.98	-£5,493.98	100%	100%	21.06	23.51	-£115,694.15	-£129,146.96
Subtotal					21.06	23.51	£51,977.68	£58,021.60
People without dependents re-entering employment at 3.5 months (subtotal)								
People under 25 in London	£7,962.24	£7,962.24	4.3%	4.3%	3.65	4.08	£29,076.85	£32,457.88
People 25 & over in London	£7,962.24	£7,962.24	11.6%	11.6%	9.86	11.01	£78,507.51	£87,636.28
People under 25 outside London	£7,394.77	£7,394.77	22.7%	22.7%	19.33	21.58	£142,941.24	£159,562.31
People 25 & over outside London	£7,956.19	£7,956.19	61.4%	61.4%	52.19	58.26	£415,242.76	£463,526.80
Subtotal					85.03	94.92	£665,768.35	£743,183.28
People with dependents re-entering employment at 9 months (subtotal)								
People under 25 in London	£2,810.20	£2,810.20	4.3%	4.3%	0.90	1.01	£2,541.48	£2,837.00
People 25 & over in London	£2,810.20	£2,810.20	11.6%	11.6%	2.44	2.73	£6,862.00	£7,659.91
People under 25 outside London	£2,810.20	£2,810.20	22.7%	22.7%	4.79	5.34	£13,452.65	£15,016.91
People 25 & over outside London	£2,810.20	£2,810.20	61.4%	61.4%	12.93	14.43	£36,322.16	£40,545.67
Childcare costs for all people with dependents	-£1,939.05	-£1,939.05	100%	100%	21.06	23.51	-£40,833.23	-£45,581.28
Subtotal					21.06	23.51	£18,345.06	£20,478.21
People without dependents re-entering employment at 9 months (subtotal)								
People under 25 in London	£2,810.20	£2,810.20	4.3%	4.3%	3.65	4.08	£10,262.42	£11,455.72
People 25 & over in London	£2,810.20	£2,810.20	11.6%	11.6%	9.86	11.01	£27,708.53	£30,930.45
People under 25 outside London	£2,609.92	£2,609.92	22.7%	22.7%	19.33	21.58	£50,449.85	£56,316.11
People 25 & over outside London	£2,808.07	£2,808.07	61.4%	61.4%	52.19	58.26	£146,556.27	£163,597.69
Subtotal					85.03	94.92	£234,977.07	£262,299.98
Total benefits reductions based on re-entry into employment within 12 months					615.33	686.88	£1,747,922.70	£1,951,169.53

Annex 4: Other Costs

Table 4A: Support and translation costs

Item	Group applied to	% of group	Cost per unit		Total number of victims applied to		Total cost	
			lower	upper	lower	upper	lower	upper
Care workers	All	100	£550.94	£1,451.61	1,231	1,374	£678,024.00	£1,994,167.74
Translation and interpretation	People from non-English speaking countries	100	£3,328.00	£3,328.00	1,008	1,125	£3,354,753.32	£3,744,840.92
Total costs under the bill							£4,032,777.32	£5,739,008.66
Total costs under the bill per conclusive victim							£3,276.92	£4,177.52



This tree is so beautiful – the colour, the emotion. I don't want anything more in the world – just something natural and beautiful like this.

Photo: Okungbowa Osamude



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