

Cost Benefit Analysis of Modern Slavery in Haringey: An Evidence Review

May 2021

1. Executive Summary

The aim of this cost benefit analysis is to:

1. Bring together the existing evidence base of the cost of modern slavery in the UK.
2. Use this evidence to estimate the cost of modern slavery in the London Borough of Haringey.
3. Evidence the benefit of investment in services to identify and support victims of modern slavery in Haringey.

A literature review of the evidence was undertaken to better understand the national costs associated with modern slavery nationally. This evidence is used to estimate the costs associated with modern slavery in Haringey and the potential savings that could be made.

This cost-benefit analysis is limited in its scope due to the hidden nature of modern slavery. As such, estimating the true scale and costs associated with modern slavery remains somewhat elusive. Furthermore, estimates of cost are mostly at society level which is difficult to break down into costs to constituent institutions such as Haringey Council.

There are several key findings from this evidence review:

1. The estimated prevalence of modern slavery in Haringey based on national estimates and London referral rates is **858 potential victims** total.
2. Using national cost estimates of the cost per victim of modern slavery and the prevalence estimate, the cost of victims in Haringey to society is estimated to be **£282 million**.
3. For every adult victim identified and referred to the National Referral Mechanism (NRM) Haringey Council and Homes for Haringey could save between **£4,051 and £5,452 per year**.
4. There are further cost benefits available to Haringey Council by increasing identification of victims and providing pathways to long term support, however these are difficult to quantify.

Based on the cost of modern slavery and the potential savings from intervention this report recommends the following actions:

1. Increase the identification of potential victims by raising awareness and use a multi-agency partnership to actively investigate situations where modern slavery may be taking place.
2. Provide clear pathways to NRM support for adult victims and a clear pathway for support outside the NRM.
3. Establish robust data collection methods and pathways for the reporting and monitoring of modern slavery offences and victims.

While the cost of modern slavery is high, even if the cost saving were negligible, Haringey Council would still have an imperative to act to end the human rights abuse of modern slavery.

2. Introduction

Modern slavery is the exploitation of people who have been forced, deceived, or coerced into a life of labour and servitude¹. Modern slavery can take many forms, including:

- Forced labour
- Sexual exploitation
- Domestic servitude
- Criminal exploitation

The aim of this cost benefit analysis is to use existing literature to estimate the cost of modern slavery in the UK and the potential saving of intervention. Due to the lack of localised data, this evidence review uses national data to establish the cost benefit of investing in services to tackle modern slavery. n

This cost benefit analysis covers the following areas:

1. An overview of the national and local modern slavery data
2. Methodology and limitations of the evidence review
3. Review of the literature on the cost of modern slavery
4. Review of the literature on the saving of modern slavery intervention
5. Estimate of the cost of modern slavery in the London Borough of Haringey
6. Conclusion and recommendations

3. An Overview of National and Local Modern Slavery Data

3.1 National Modern Slavery Data

It has been estimated using police data that there are more than 100,000 victims of modern slavery in the UKⁱⁱ, which is 10 times the number previously estimated by the Government.

Figure 1 shows a 10-year increase in the number of referrals made to the NRM. This chart does not necessarily mean that the number of victims is increasing in the UK, and could show that as awareness increases, the identification of potential victims also increases. Nonetheless, the number of identified modern slavery victims is increasing, and this means increasing numbers will be accessing support services.

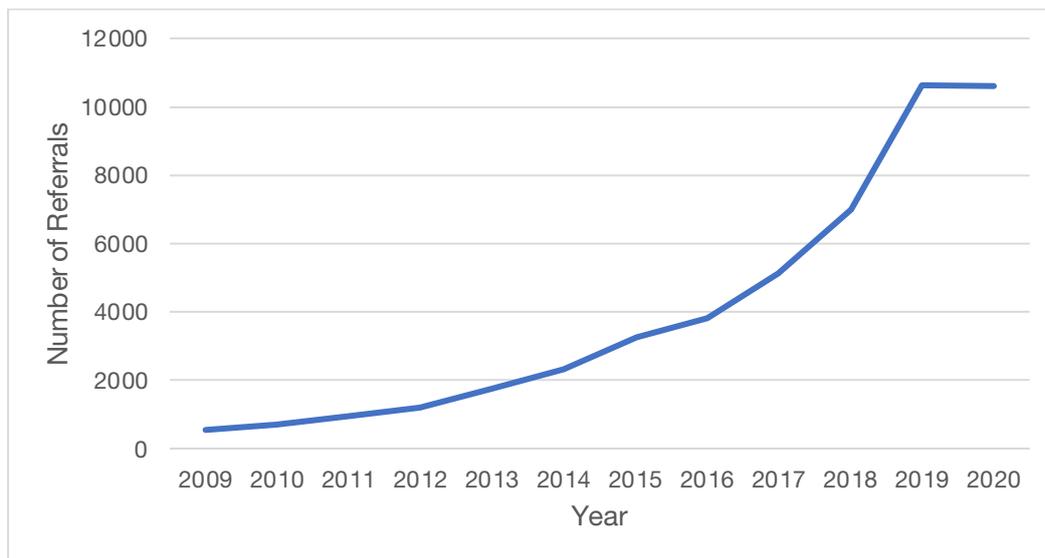


Figure 1, Number of NRM referrals 2009 to 2020ⁱⁱⁱ

Figure 2 shows that over the last four years, referrals by London local authorities have increased year on year. Similarly, to trends identified in *Figure 1*, this increase could be due to increased awareness or increased prevalence. Local authorities are increasingly identifying victims of modern slavery and therefore authority services for survivors will increasingly be in demand.

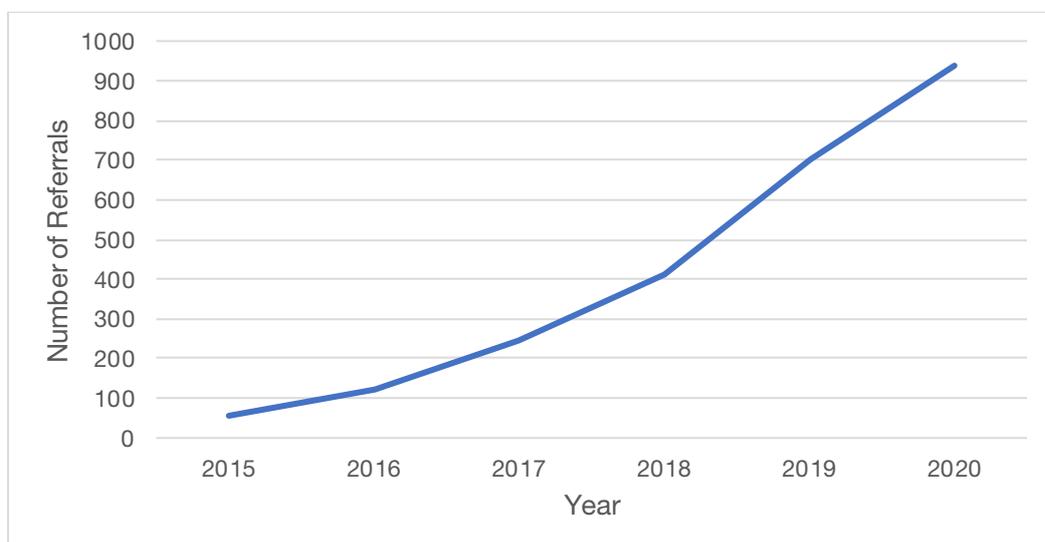


Figure 2, Number of NRM referrals by London Local Authorities 2015 to 2020

In 2019, 10,627 potential victims of modern slavery were referred to the NRM, a 52% increase from 2018^{iv}. The most common form of modern slavery in the UK is sexual exploitation for women and girls and labour exploitation for men and boys.

Figure 3 shows that for adults labour exploitation is the most common type of modern slavery, whereas for children criminal exploitation is most common. Whilst services must be flexible to meet the varied needs of victims, it is likely that some health and support needs will be more common than others due to the large-scale labour and criminal exploitation that is occurring.

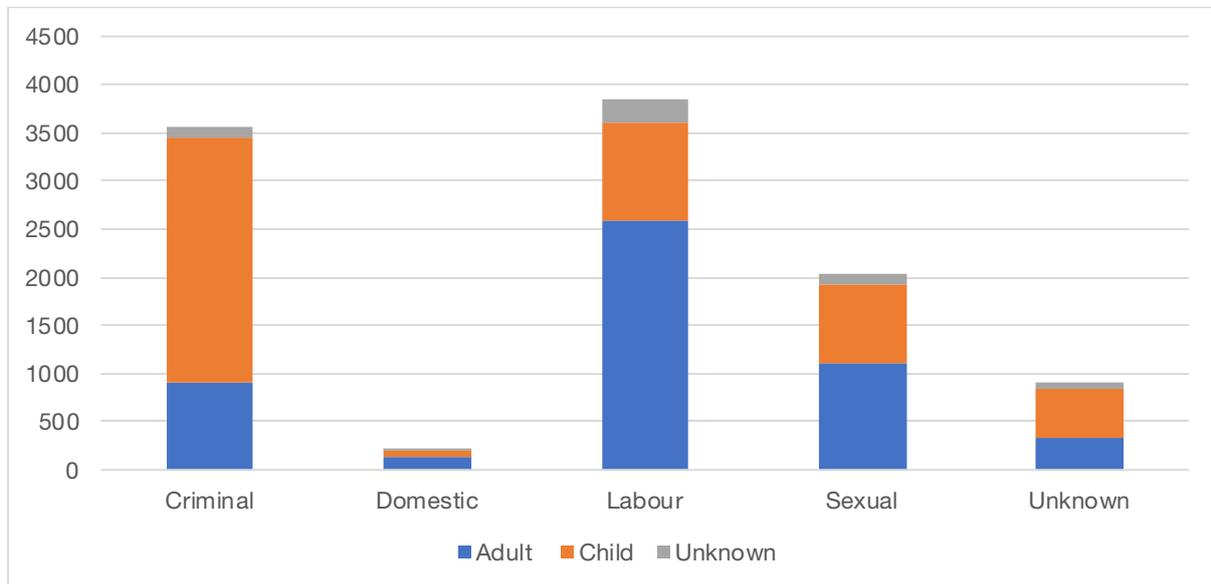


Figure 3, Exploitation Type by Age^v

Figure 4 shows that exploitation is gendered. Men are more likely to experience labour exploitation and women are more likely to experience sexual exploitation. Services available for survivors may benefit from being gendered, such as those services available for people fleeing domestic abuse.

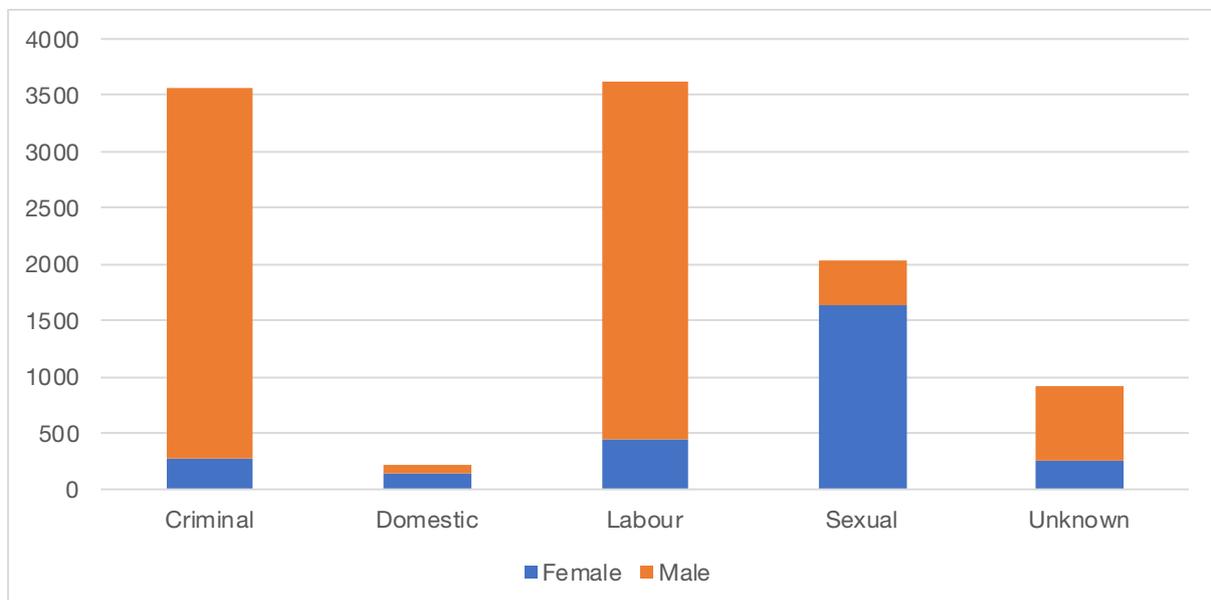


Figure 4, Exploitation Type by Gender^{vi}

3.2 Haringey Modern Slavery Data

Data and intelligence on the prevalence of modern slavery in Haringey is limited. Data is available on referrals to the NRM, from the police on offences and victims and from the modern slavery helpline. The true scale of modern slavery in the borough is unknown.

Figure 5 shows the number of referrals to the NRM made by Haringey Council from 2014 to 2020. There has been an increase in the number of people referred as potential victims of slavery in Haringey.

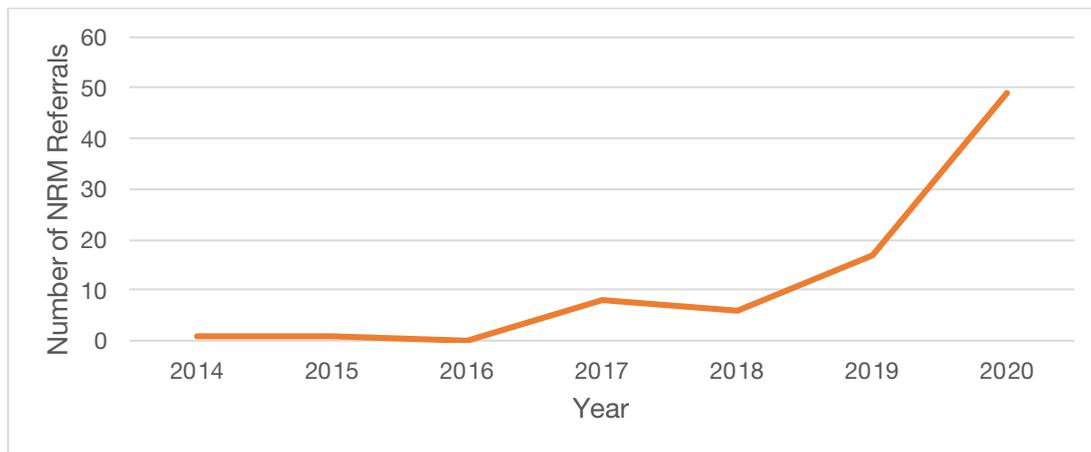


Figure 5, Number of NRM Referrals Made by Haringey Council

Figure 6 shows the number of referrals to the NRM by Haringey Council and neighbouring boroughs. The number of Haringey referrals seems low compared to other boroughs of similar populations.

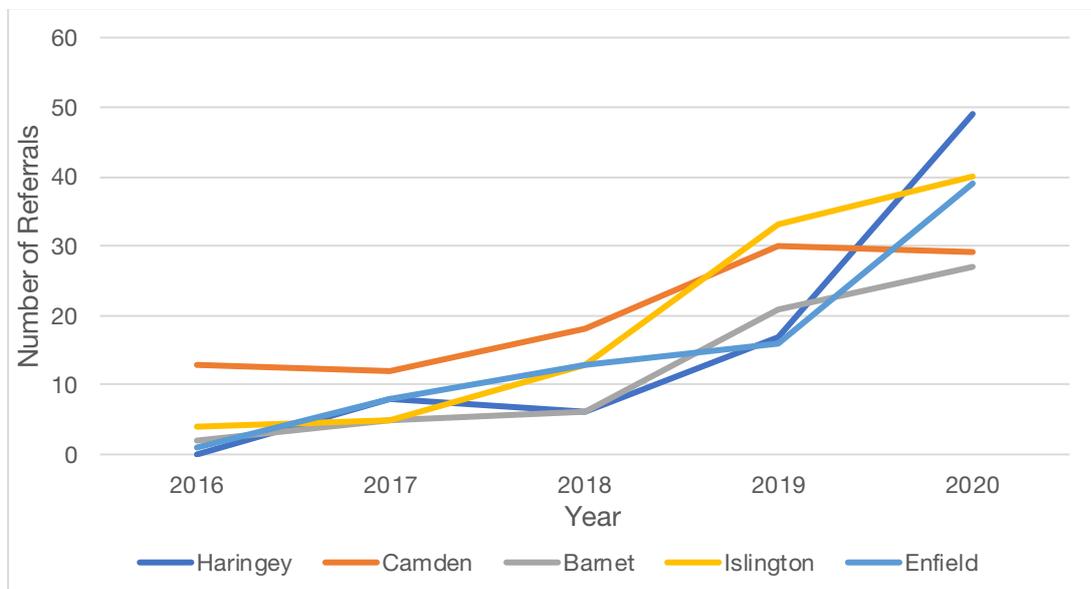


Figure 6, Numbers of referrals to the National Referral Mechanism from Haringey, Camden, Islington, Enfield and Barnet Local Authorities. 2016-2020

3.3 Duties on Local Authorities

The Modern Slavery Act 2015 (MSA) is the UK legislative framework for the national response to modern slavery. The Act primarily focuses on prosecution, along with the creation of an anti-slavery commissioner, protecting victims in court proceedings and requiring businesses of a certain size to produce a supply chains statements.

The MSA places a duty to notify the Home Office on potential victims of modern slavery. This duty to notify includes:

- Notifying the Home Secretary when the local authority identifies a potential adult victim of modern slavery who does not wish to receive support through the National Referral Mechanism.
- Referring potential adult victims who wish to receive support to the NRM.
- Referring all potential child victims to the NRM

Local authorities also have a duty under the Care Act to safeguard vulnerable adults and support should be initiated where there are concerns of risk, regardless of eligibility.

3.4 Modern Slavery Data from the Metropolitan Police

In addition to the limited data from the NRM, there is some data on modern slavery in Haringey and London from the Metropolitan Police.

Figure 7 shows the number of people referred to the NRM by the Metropolitan Police. Last year, 150 potential victims in Haringey were referred to the NRM by the police.

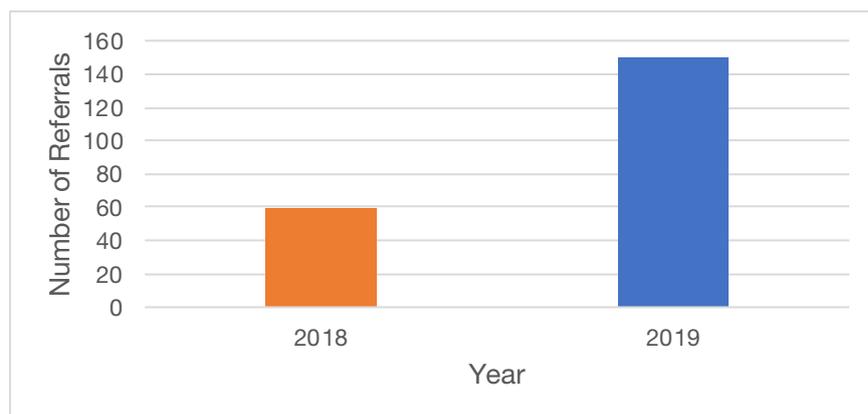


Figure 7, Number of Referrals in Haringey by the Met Police

Figure 8 shows the number of modern slavery offences in the Metropolitan Area have steadily increased in recent years. There were 863 modern slavery offences registered in the metropolitan area from January-October 2018, which equates to an increase of 11% on the previous year. There were 831 victims of modern slavery identified from Jan-Oct 2018, which represents a significant increase on the previous year.

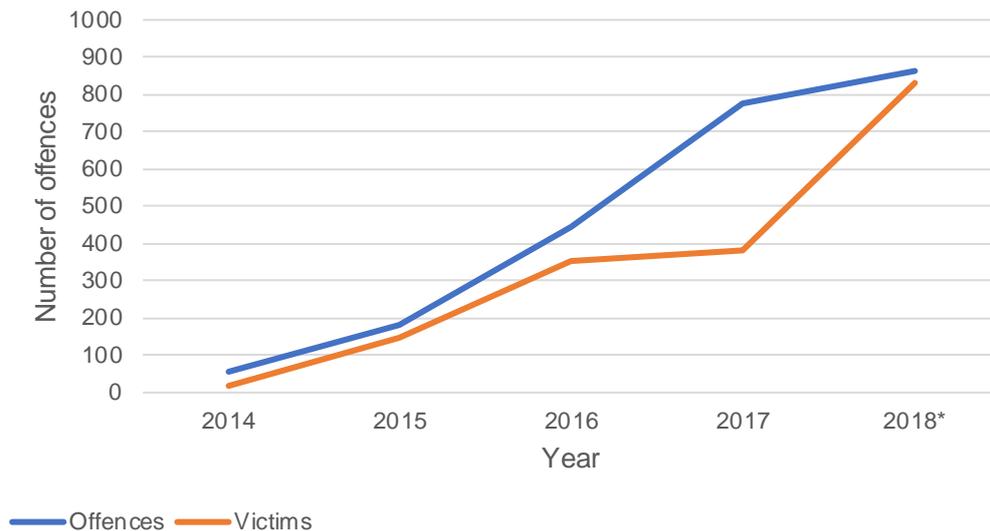


Figure 8, Offences and Victims of modern slavery in the Metropolitan Area, January 2014 to October 2018.

3.5 Actions taken by Haringey Council

The growing scale of modern slavery in Haringey and across London led to the establishment of the Strategic and Operational Group on Modern Slavery (SOGMS) and the recruitment of a Modern Slavery Coordinator in Haringey Council.

The purpose of SOGMS is to oversee a partnership response to the issue of modern slavery in Haringey. The group has membership from across the council; housing, health, procurement, children's, adults and community safety as well as partners from the VCS, Police and the NHS.

The Modern Slavery Coordinator role is closely aligned with existing work on ending Violence Against Women and Girls (VAWG), both of which are situated in the public health team. The role is key in developing relationships with partners, delivering training to staff and practitioner. The role works with partners to establish more defined referral pathways to improve victim support. The role works to improve community engagement to enhance understanding of modern slavery, increase referrals, and develop the local evidence base.

4. Methodology and Limitations

4.1 Methodology

This report utilises existing research and cost estimates on modern slavery to determine the cost of modern slavery in Haringey, and the savings that could be made by directing resources to preventing and tackling it in the borough.

A literature review includes the following areas:

1. Literature on the cost of modern slavery. This literature provides the most accurate cost estimate of modern slavery in the UK and will form the basis for cost estimates made in this report.
2. Literature on the cost of intervention in services areas which are known to be used by victims and survivors of modern slavery such as health care and homelessness services. This literature will help provide an understanding of the broader impacts of the cost of modern slavery on Haringey's services.

Using a review of this literature, the cost benefit analysis will estimate the cost impact of modern slavery in Haringey, and the potential savings that could be made by investing in intervention. The following costs and savings from the literature will be considered:

1. Broader costs to the economy through lost employment and criminal activity
2. Cost of physical and emotional harms
3. Costs to healthcare services
4. Costs to housing and homelessness services
5. Savings made by identification and referral to the NRM

4.2 Limitations

Due to the hidden nature of modern slavery, establishing an accurate measure of its prevalence is somewhat complex. The Office for National Statistics (ONS) reported that 'currently, there is no definitive source of data or suitable method available to accurately quantify the number of victims of modern slavery in the UK'. However, due to the difficulty in quantifying modern slavery, any estimates made of the cost and benefits of intervention are likely to be speculative, although the ONS does note that proxy indicators may be used to better understand the nature of modern slavery and potential demand on support services. Furthermore, any estimates of the cost and benefits of intervention are also dependent on other factors such as exploitation type. Data collection on the scale and nature of modern slavery in Haringey Council would help mitigate these challenges.

Furthermore, what work that has been done to estimate the financial benefits of interventions have only been conducted at a national scale. We have insufficient local data to be able to replicate this analysis at borough level.

5. Review of modern slavery cost analysis literature

Attempts to estimate the costs of modern slavery are largely based on the cost to services and lost employment or output^{vii viii}. Some estimates have attempted to incorporate costs which are more difficult to quantify such as the cost of physical or emotional harm.

The Home Office estimated that annual cost of modern slavery in the UK is between £3.3 billion and £4.3 billion. This estimated cost is based on there being 10,000 to 13,000 victims in the UK, an estimate made by the Home Office in 2014^{ix}.

Figure 9 provides an overview of the average cost of the different types of exploitation per potential victim. The total cost includes a wide range of factors, with physical and emotional harm generating the largest estimated cost.

Unit costs	Anticipation	Physical and emotional harm	Lost output and time	Health services	Victim services	Law enforcement costs	Total
Labour exploitation	£210	£268,450	£40,330	£470	£1,630	£7,730	£318,810
Sexual exploitation	£210	£270,890	£37,460	£1,560	£1,650	£7,730	£319,500
Domestic servitude	£210	£281,150	£98,890	£390	£1,710	£7,730	£390,080
Average (mean)	£210	£271,190	£47,040	£910	£1,650	£7,730	£328,720

Figure 9, Estimate unit costs of modern slavery by category^x

Modern slavery charity Justice and Care use data from the Police to estimate that there are at least 100,000 victims of modern slavery in the UK^{xi}. Furthermore, the Home Office calculated this figure in 2013 when the NRM referral number of 1,746, and the number of referrals has increase by around a factor of 10 since to 10,627 in 2019

Using the prevalence estimate of 100,000 and the estimates in *Figure 9* the cost of modern slavery in the UK is in the region of £33 billion per year.

The estimated of cost of modern slavery is constituted by the estimates of:

1. the cost of composite service areas needed by victims of modern slavery and the prevalence using those services
2. the cost of lost employment and output
3. the cost of the crime to the UK

Whilst there is limited research available on the cost of modern slavery, research exists of the cost of the previous listed areas and can be used to create a broader picture of the potential costs.

The following sections summarise research on various cost estimates and how they apply to modern slavery in the UK.

5.1 Use and cost of healthcare services

Health consequences of modern slavery

Modern slavery has severe consequences for the health and wellbeing of survivors. Not only does the crime inflict severe physical and mental ill-health, but victims are also prevented from accessing health service which exacerbates any health problems.

The physical health effects of modern slavery vary according to nature of exploitation. One study found that nearly all female survivors of sexual exploitation (95%) reported physical or sexual violence during their trafficking. Furthermore, more than half (59%) reported physical or sexual violence prior to their exploitation^{xii}. This violence led to a myriad of health problems, with the majority (63%) reported more than 10 concurrent physical health problems.

Those forced into labour exploitation also experienced multiple health issues. One study of male victims of forced labour found that the majority (81%) reported one or more symptoms of poor physical health^{xiii}.

There is a high prevalence of depression, anxiety, PTSD, and suicide ideation amongst survivors of modern slavery^{xiv}.

Research in England found that 78% of women and 40% of men who had been trafficked experienced high levels of depression, anxiety, and post-traumatic stress symptoms^{xv}. A report by Hestia found that 92% of male victims of modern slavery reported signs of mental health issue. The most common issue was experienced flashbacks often or all the time (62%)^{xvi}.

A study of 204 trafficked women found that 77% suffered with PTSD^{xvii}, compared to a rate of 5.1% of women in the UK general population^{xviii}. Furthermore, of those surveyed a majority (57%) suffered with three mental health conditions: depression, anxiety, and PTSD^{xix}.

There is also evidence of links between drug and alcohol misuse and modern slavery^{xx}. Links between drug and alcohol misuse and those who are experience vulnerabilities such as homelessness, mental health problems, are well established; and vulnerable people are more likely to be targeted by traffickers. Additionally, there is evidence of victims being paid in drugs or alcohol making them easier to control and coerce^{xxi}.

Figures 10 and 11 show the likelihood of suffering additional physical and emotional harms in typical cases of modern slavery. Both tables illustrate that victims of modern slavery are likely to suffer various health consequences in addition to direct health problems caused by violence and rape.

Harm	Type of modern slavery		
	Labour	Sexual	Domestic
Drug dependency	5%	5%	1%
Alcohol dependency	28%	5%	5%
Fear and anxiety	100%	100%	100%
Depression	100%	100%	100%
STI	0	50%	5%

Figure 10, Perceived likelihood of suffering additional physical and emotional harms in typical cases of modern slavery, by exploitation type (1)^{xxii}

Harm	Type of modern slavery		
	Labour	Sexual	Domestic
Miscarriage	0	25%	0%
Back pain/aches	75%	88%	75%
Malnutrition	100%	100%	88%

Figure 11, Perceived likelihood of suffering additional physical and emotional harms in typical cases of modern slavery, by exploitation type (2)^{xxiii}

Cost to healthcare services

The physical and mental health injuries to victims of modern slavery can vary substantially across different exploitation types and the time spent in exploitation. Nonetheless, all injuries have serious cost implications for survivors and for services.

The largest health cost for survivors and services is treating emotional and mental health problems arising from exploitation, which is further exacerbated by the many years a victim may need physical and mental health care following exploitation. This is illustrated by Figure 13.

Figure 13 from the Home Office attempts to quantify both physical and emotional harms related to modern slavery. While estimated physical costs are highest for sexual exploitation, the estimated emotional costs are highest for domestic exploitation, which is a result of the particularly long average duration of this exploitation type. The higher emotional costs of labour exploitation compared with sexual exploitation arises from higher prevalence of alcohol dependency amongst victims of labour exploitation.

Modern slavery type	Emotional	Physical	Total
Labour exploitation	£256,940	£11,510	£268,450
Sexual exploitation	£229,480	£41,420	£270,890
Domestic servitude	£259,440	£10,590	£281,150

Figure 13, Estimated unit costs of physical and emotional harms of modern slavery^{xxiv}

In addition to costs to the victim, the Home Office also included costs to the services. Figure 14 shows the Home Office estimated average treatment costs by exploitation type by using NHS Reference Costs and the number of likely injuries a potential victim may be suffering from at the end of their exploitation period. The research also notes that the estimated total healthcare underestimates the true extent of healthcare costs as a result of modern slavery. No health service costs have been estimated for those exploited overseas while they are within the NRM. This estimate does not include any health service costs from unknown victims who independently sought medical assistance.

Modern slavery type	Emotional	Physical	Total
Labour exploitation	£3,310	£250	£3,560
Sexual exploitation	£2,710	£9,120	£11,830
Domestic servitude	£2,620	£380	£3,000

Figure 14, Estimates unit costs of healthcare associated with each type of modern slavery^{xxv}

5.2 Cost of homelessness and use of services

There are clear links between homelessness and modern slavery. Those who are homeless are vulnerable to modern slavery, and some organisations report that human traffickers in the UK prey on homeless people and lure them into exploitation^{xxvi}.

Research by The Passage which surveyed 61 homelessness organisations found that 64% of respondents have encountered cases of potential modern slavery^{xxvii}. Furthermore, victims of modern slavery are at risk of becoming homeless where do not receive support to access housing^{xxviii}.

Modern slavery support charity Hope for Justice said that 70% of victims they supported would have been homeless if the charity had not intervened^{xxix}.

Cost of homelessness

A number of studies have attempted to calculate the cost of homelessness in the UK. The estimates vary according to different factors such as to type of homelessness, the services accessed and reason for homelessness.

The Department for Housing, Communities and Local Government estimate that the annual cost of homelessness ranges from £24,000 to £30,000 per person^{xxx}.

The Home Office calculation that the average cost of modern slavery per person is £328,720 does not include the cost of homelessness if a victim does not receive access to housing or has access to housing withdrawn. Therefore, the real cost of modern slavery for some victims will be higher.

5.4 Cost of lost output and employment

During the time of exploitation, most victims were likely to have otherwise been in legitimate employment, which is referred to here as lost output. For those who would have not been in work, it is referred to here as the cost of lost time.

Evidence suggests that 64% of adult victims of violent crime are employed. Due to the lack of evidence on the employment of victims of modern slavery, the report assumes that 64% of adult victims from EEA countries would have been in legitimate employment if they were not victimised.^{xxxii} Using this estimate, average working hours and average hourly wage, the lost output is highlighted in *Figure 15*. For time lost by those who are not in employment, the number of victims for each exploitation type are multiplied by the cost of a nonworking day and the number of days victims typically spend in victimisation, as highlighted in *Figure 15*.

Modern slavery type	Unit costs
Labour exploitation	£40,330
Sexual exploitation	£37,460
Domestic servitude	£98,890

Figure 15, Estimated unit costs of lost time and output by modern slavery type^{xxxii}

It should be noted that this calculation was made prior to the UK leaving the EU and that EEA nationals were included in those likely to be in employment if they were not being exploited.

5.5 Cost of crime

Modern slavery is a highly lucrative crime and the International Labour Organisation estimate the global industry is worth \$150 billion a year^{xxxiii}.

There have been several valuations made of the size of different parts of the modern slavery industry. It is difficult to make accurate assessments of the industry's worth due to the hidden and rapidly changing nature of the crime.

Research from City University of London estimate that the cost of law enforcement per victim €93,293. This cost estimate is for the criminal justice system, which is made up of the police, prosecution, and the courts^{xxxiv}.

The Home Office have estimated that the market size of human trafficking for sexual exploitation in London is around £126 million^{xxxv}.

One report estimates that a child sold in the UK costs around £16,000^{xxxvi}. Another report estimates that the annual revenue generated by one female forced into prostitution as £48,000^{xxxvii}.

Whilst there is no UK estimate of the industry worth, it is undoubtedly a lucrative crime with high costs to society and victims.

Law enforcement costs

Home Office estimates that the total expenditure to counter modern slavery by law enforcement agencies across government was approximately £83.5 million in England and Wales in the 2015/16 financial year. Most of this expenditure is by the police, but it also includes estimates for the National Crime Agency and Regional Organised Crime Units and a number of government departments, such as the Home Office^{xxxviii}.

6. Review of modern slavery cost saving analysis literature

Using estimates made by the Home Office along with additional information not included in the calculation, the average cost per victim of modern slavery is **at least £328,720** per annum.

It is recognised that preventing modern slavery would result in significant savings to society as a whole. However, in addition to this saving, increasing identification and support for victims would also reduce the cost of modern slavery both locally and nationally.

6.1 Savings from providing support

The Home Office estimate of the cost of modern slavery includes cost of providing support to victims of an average annual cost of £1,650 per victim.

A cost benefit analysis of the Modern Slavery (Victim Support) Bill (MSVS Bill) which would provide adult victims with support and accommodation for 12 months after a positive conclusive grounds decision found that this could deliver a net financial benefit between £10.4m and £25.1m, along with a greater number of unquantifiable benefits^{xxix}.

The report found that increasing support offered would have a direct financial benefit of between £12,500 and £15,000 per conclusive victim referred^{xi}. The direct provision of accommodation and preventing homelessness would have generated savings between £12.2m and £15.0m for victims referred in 2017.

6.2 Savings from returning employment

When survivors of modern slavery receive support, they are more able to overcome barriers to employment. Common barriers to employment include precarious living situations, overcoming mental health conditions linked to trauma, childcare difficulties, lack of assistance for navigating public frameworks, and poor English language skills^{xi}.

Providing victims with support would help them overcome these challenges and re-enter employment sooner than without adequate support. For example, the charity Hestia reports that with support they provided over a 12 month period, their non-EEA victims were able to speak English, create a CV and were interviewing for jobs^{xiii}.

The MSVS Bill analysis estimates that the total direct benefit of employability (income tax and national insurance contributions) ranges from £1.3m to £1.5m for employment within the first 12 months after conclusive victims exit the NRM^{xiii}.

7. Estimate of the cost of modern slavery in the London Borough of Haringey

To establish the cost of modern slavery in Haringey, an estimate of prevalence is needed. The number of victims referred to the NRM by Haringey Council in 2020 was 49.

Although the yearly number of referrals is increasing in Haringey, the referral number does not offer an accurate measure of prevalence in the borough. As previously mentioned, the charity Justice and Care have estimated there are at least 100,000 victims in UK, which has been used to calculate the prevalence across Haringey.

7.1 An estimate of the prevalence and cost of modern slavery in Haringey

Estimate of prevalence

The number of victims in the UK is 100,000 and the population of the UK is 66.8 million^{xiv}, meaning that 1 in every 668 people is a victim of modern slavery.

The population of Haringey is approximately 286,774^{xiv} and translating the UK prevalence to the Haringey population means that there are approximately 429 victims of modern slavery in Haringey.

However, London has a higher NRM referral rate per 100,000 than the rest of England (the average referral rate in England is 17 people per 100,000, and in London the referral rate is 35^{xvi}). Adjusting for London referral rates, the most accurate estimated prevalence in Haringey is **858 victims of modern slavery**.

Estimated cost

The cost of modern slavery is borne by the individual victim, local authorities, and national government. It is difficult to break down the overall cost to show the exact cost to each service or agency.

Based on the number of NRM referrals made in 2020 by Haringey Council and the estimated cost per victim detailed in *Figure 9*, the estimated cost of those who have been identified is at least **£16 million**.

In 2019, the Metropolitan Police identified 150 potential victims of modern slavery in Haringey. Based on this figure and the estimated cost per victim seen in *Figure 9*, the predicted cost of those identified is at least **£49.3 million**.

Using the prevalence estimate and the expected cost per victim detailed in *Figure 9*, the estimated cost of modern slavery in Haringey is at least **£282 million**.

An estimate of cost and prevalence of modern slavery across London

As previously mentioned, the prevalence of modern slavery across the UK population is 1 in every 668 people.

The population of London is approximately 8.9 million^{xvii} and translating the UK prevalence to the London population means that there are approximately 13,323 victims of modern slavery in London.

However, London has a higher NRM referral rate per 100,000 than the rest of England (the average referral rate in England is 17 people per 100,000, and in London the referral rate is 35). Adjusting for the referral rates, the estimated prevalence in London is **26,646 victims of modern slavery**.

Using the prevalence estimate and the estimate of cost per victim seen in *Figure 9*, the estimate cost of modern slavery in London is at least **£8.7 billion**.

7.2 Direct cost saving of services for adult victims

Due to limited local data on modern slavery, estimating the cost and savings to Haringey Council services is complex. The most likely cost saving to the Council is referral of adult victims to the NRM. The cost saving is not the same for children as Local Authorities provide support services to child victims instead of through the NRM.

Referral into the NRM

When an adult victim is referred into the NRM and receives a positive reasonable or conclusive grounds decision, they are entitled to a period of support which consists of three pillars:

- housing/accommodation
- financial support
- access to a support worker

The cost of the Victim Care Contract for England and Wales during financial year 2016/17 was £14 million. This includes the support provided to those victims who were only exploited abroad, but as this cost falls to the UK it is included here as a cost to society.

If a survivor is not referred to the NRM, emergency accommodation and a support worker would instead be provided by the local authority.

Cost of accommodation

The cost of providing temporary housing per household to Haringey Council is £3,500 to £4,000 per annum^{xlviii}.

Cost of a support worker

The role of a support worker is to help survivors with any socio-economic barriers to recovery and help them engage with the authorities. The estimated costs of support workers are based on data from frontline NGOs providing this support. It is estimated that the cost of providing a support worker per person per annum ranges from £551 to £1,452^{xlix}.

Cost saving for Haringey Council

Of Haringey Council's 49 referrals to the NRM in 2019, only 4 were for adults. This not reflective of the number of adult victims in Haringey because adult victims are less likely to be identified than children as they encounter far fewer services where they might be identified.

In 2020, 48% of total NRM referrals across the UK were adults. Applying that to the estimated prevalence of 858 victims of modern slavery in Haringey, it is reasonable to assume that there are about 411 adult victims in Haringey.

By referring one adult to the NRM, the saving for Haringey Council is between **£4,051 and £5,452 per annum**.

If every adult potential victim in Haringey consented to receive support through the NRM, the cost saving for Haringey Council could be between **£1.6m and £2.2m per annum**.

Figure 16 and *Figure 17* below summarise the cost and cost savings outlined in 7.1 and 7.2

	Cost per person	Cost based on 49 Haringey Council referrals made in 2020	Cost based on estimated prevalence in Haringey of 858 victims	Cost based on estimated prevalence in London of 34,640 victims
Minimum average cost of modern slavery in Haringey to society.	£328,720	£16 million	£282 million	£8.7 billion.

Figure 16, Cost of Modern Slavery in Haringey to Society

	Cost per person	Cost based on adult prevalence of 535 victims
Cost saving to Haringey Council of referring adult victims in Haringey to the NRM per year.	Between £4,051 and £5,452	£1.6m and £2.2m per annum

Figure 17, Cost saving to Haringey Council of referring adult victims to the NRM

7.3 Indirect cost saving for adults and children

As previously mentioned, estimating the cost to Haringey Council differ for adults and children as children receive their support via local authorities. Nonetheless, by supporting children and adult (who do not receive support through the NRM) victims, there are several cost benefits. Although these benefits are difficult to quantify, they are important to highlight as part of the cost analysis. Those benefits remain somewhat difficult to quantify and include:

- Exiting modern slavery. The cost of modern slavery seen in *Figure 9* is based on an average time spent in exploitation. The longer the time spent in exploitation the higher the cost of recovery needs. Research by City University of London found that the highest cost to society comes after victims have left exploitation due to long term recovery needs¹.
- Preventing re-trafficking or re-exploitation. By providing support, the victim is less likely to be re-trafficked which reduces the cost of further support services in the event of re-trafficking.
- Providing survivors with appropriate and timely support will help them recover from exploitation. The cost benefit associated with recovery includes those benefits seen from survivors returning to employment, as well as reducing long term healthcare costs

8. Conclusion

Modern slavery is costly to the whole of society, including national and local government, the private sector and the individual.

The average cost per victim estimated by the Home Office is used as a minimum base line for the cost of modern slavery. While this estimate is largely comprehensive, this analysis uses it as a minimum estimate as it does not include other costs such as the cost of homelessness or re-trafficking.

The cost of modern slavery in Haringey could be at least £282 million based on the estimated prevalence of 858 potential victims.

Of those victims identified and referred to the NRM in Haringey from January 2020 to September 2020, the cost to society is estimated to be at least £16 million.

For every adult victim identified and referred to the NRM, Haringey Council and Homes for Haringey could save between £4,051 and £5,452 per year. With this estimated prevalence rate for adult victims in Haringey, this saving could be as much as between £1.6m and £2.2m per year.

There are further unquantifiable savings for Haringey Council. By increasing identification of victims and providing pathways to long term support, the cost of recovery needs and the likelihood of re-trafficking is lower.

The cost of modern slavery in Haringey and the saving to Haringey Council of referring adult victims to the NRM, demonstrates the value of increasing identification and support of modern slavery victims. Haringey Council has a duty to identify victims and provide pathways to support, and the financial benefit emphasizes the importance of this work.

Increasing identification and support of victims relies on partnership working as no one organisation has the knowledge, skills or resources to respond in isolation.

9. Recommendations

Based on the cost benefit analysis, the following recommendations are made to increase the cost saving for Haringey Council:

1. **Increase the identification of potential victims by raising awareness and use a multi-agency partnership to actively investigate situations where modern slavery may be taking place.**
 - i. Raise awareness internally by extending the training provided by the Modern Slavery Coordinator across all frontline teams.
 - ii. Widely disseminate the modern slavery training webinar across Haringey Council.
 - iii. Use awareness raising campaign throughout Haringey using adverts such as social media adverts, posters, and billboards to increase knowledge of the signs of modern slavery and how to report concerns. The campaign should include material designed to help potential victims recognise they are victims and how to access support.
 - iv. It is recommended that Haringey Council increases investigation of potential instances of modern slavery. By forming a multi-agency partnership with the police, environment health, the NHS, and Homes for Haringey, information to uncover modern slavery happening in the borough could be gathered.

2. **Provision of pathways to NRM support for adult victims and a clear pathway for support outside the NRM.**
 - i. Establishment of a clear protocol and pathway for the referral of potential modern slavery victims. Contacts of where staff can get help should be clearly identified and communicated. The protocol should include information around what staff should do if potential victims have no recourse to public funds.
 - ii. Provide a clear pathway to support those people who refuse to give consent to be referred to the NRM, who are not accepted when referred, or who have exited the NRM. This pathway should include both statutory services and services offered by the community and voluntary sector. Haringey Council could also learn from the Home Office pilot of pathways from NRM support to Local Authority supportⁱⁱ.

3. **Create clear data collection methods for gathering instances of offences and victims to improve knowledge of modern slavery in Haringey.**
 - i. Create an internal data collection system using Mosaic to obtain and collate information on both adults and children who are potential victims of modern slavery. This information should also include those who were not referred to the NRM but for whom a duty to notify was completed.
 - ii. Ensure that a robust data sharing agreement or protocol is in place between Haringey Council and key partners such as the Metropolitan Police, NHS, and the VCS to facilitate the sharing of intelligence. Improved data sharing across the partnership would increase understanding of the scale of modern slavery in Haringey by collating

both data on NRM referrals and suspected victims who have not been referred.

10. Appendix

Appendix A: Referrals per police force per 100,000 peopleⁱⁱⁱ

Police Unit	Number of referrals	Population	Number of referrals per 100,000 people
Bedfordshire Police	399	669,300	60
Metropolitan Police Service	3318	8,899,400	37
Lincolnshire Police	232	755,800	31
West Midlands Police	835	2,916,500	29
Sussex Police	380	1,703,800	22
Merseyside Police	243	1,423,100	17
Leicestershire Police	175	1,093,200	16
Greater Manchester Police	419	2,700,000	16
Derbyshire Constabulary	156	1,053,300	15
Warwickshire Police	84	571,000	15
Thames Valley Police	353	2,407,600	15
West Yorkshire Police	332	2,320,200	14
Cambridgeshire Constabulary	114	852,500	13
Cleveland Police	73	567,700	13
Essex Police	227	1,832,800	12
Wiltshire Police	86	720,100	12
Surrey Police	139	1,189,900	12
Kent Police	209	1,846,500	11
Nottinghamshire Police	130	1,154,200	11
South Yorkshire Police	147	1,402,900	10
Avon and Somerset Constabulary	177	1,711,500	10
Northamptonshire Police	77	747,600	10
Hertfordshire Constabulary	120	1,184,400	10
Suffolk Constabulary	75	758,600	10
Hampshire Constabulary	195	1,985,800	10
North Yorkshire Police	79	824,400	10
Humberside Police	89	932,100	10
West Mercia Police	118	1,282,200	9
Lancashire Constabulary	135	1,498,300	9
Norfolk Constabulary	78	903,700	9
Dorset Police	59	772,300	8
Durham Constabulary	39	633,500	6
Staffordshire Police	65	1,131,100	6
Cheshire Constabulary	56	1,059,300	5
Gloucestershire Constabulary	33	633,600	5

Northumbria Police	74	1,456,600	5
Devon & Cornwall Police	87	1,762,400	5
Cumbria Constabulary	15	498,900	3
Average rate per 100,000			14

ⁱ Home Office, Modern Slavery: Statutory Guidance for England and Wales, 2020 [Modern slavery: statutory guidance for England and Wales \(under s49 of the Modern Slavery Act 2015\) and non-statutory guidance for Scotland and Northern Ireland \(publishing.service.gov.uk\)](#)

ⁱⁱ Justice and Care, The Centre for Social Justice, It Still Happens Here, 2020 <https://www.justiceandcare.org/wp-content/uploads/2020/07/Justice-and-Care-Centre-for-Social-Justice-It-Still-Happens-Here.pdf>

ⁱⁱⁱ Home Office, National Referral Mechanism Statistics UK, End of Year Summary 2020, <https://www.gov.uk/government/statistics/modern-slavery-national-referral-mechanism-and-duty-to-notify-statistics-uk-end-of-year-summary-2020>

^{iv} Ibid

^v Ibid

^{vi} Ibid

^{vii} Home Office, the economic and social costs of modern slavery, 2018 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/729836/economic-and-social-costs-of-modern-slavery-horr100.pdf

^{viii} Walby, S. , Bell, P., Bowstead, J., Feder, G., Fraser, A., Herbert, A., Kirby, S., McManus, S. , Morris, S., Oram, S., Phoenix, J. , Pullerits, M. and Verrall, R. (2020). Study on the economic, social and human costs of trafficking in human beings within the EU (10.2837/98239). Luxembourg: European Commission.

^{ix} Home Office, Modern Slavery: an application of Multiple Systems Estimation, 2014, [modern slavery an application of multiple systems estimation \(publishing.service.gov.uk\)](#)

^x Home Office, the economic and social costs of modern slavery, 2018 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/729836/economic-and-social-costs-of-modern-slavery-horr100.pdf

^{xi} Justice and Care, It Still Happens Here, 2020, <https://www.justiceandcare.org/wp-content/uploads/2020/07/Justice-and-Care-Centre-for-Social-Justice-It-Still-Happens-Here.pdf>

^{xii} Zimmerman C, Hossain M, Yun K, Gajdaziev V, Guzun N, Tchomarova M, Ciarrocchi RA, Johansson A, Kefurtova A, Scodanibbio S, Motus MN, Roche B, Morison L, Watts C. The health of trafficked women: a survey of women entering posttrafficking services in Europe. Am J Public Health. 2008 Jan;98(1):55-9. doi: 10.2105/AJPH.2006.108357. Epub 2007 Nov 29. PMID: 18048781; PMCID: PMC2156078.

^{xiii} Turner-Moss E, Zimmerman C, Howard LM, Oram S. Labour exploitation and health: a case series of men and women seeking post-trafficking services. J Immigr Minor Health. 2014 Jun;16(3):473-80. doi: 10.1007/s10903-013-9832-6. PMID: 23649665.

^{xiv} Oram S, Abas M, Bick D, et al. Human trafficking and health: a survey of male and female survivors in England. Am J Public Health 2016;106:1073–8

^{xv} Ibid

^{xvi} Hestia, Underground Lives, Male victims of modern slavery, 2018, <https://www.antislaverycommissioner.co.uk/media/1247/male-victims-of-modern-slavery.pdf>

^{xvii} Hossain, M et al, 2010, The relationship of trauma to mental disorders among trafficked and sexually exploited girls and women, American Journal of Public Health,

^{xviii} House of Commons Library, Briefing Paper, Mental Health statistics for England, January 2020

^{xix} Hossain, M et al, 2010, The relationship of trauma to mental disorders among trafficked and sexually exploited girls and women, American Journal of Public Health,

^{xx} The Salvation Army, A few doors down, the links between substance misuse and modern slavery, 2018, https://issuu.com/salvationarmyuk/docs/a_few_doors_down_-_the_links_between?e=5764755/63417485

^{xxi} Ibid

^{xxii} Home Office, the economic and social costs of modern slavery, 2018 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/729836/economic-and-social-costs-of-modern-slavery-horr100.pdf

^{xxiii} Ibid

^{xxiv} Ibid

^{xxv} Ibid

^{xxvi} Thomas Reuters, Human Traffickers lure UK's homeless into modern slavery: charities, 2017, <https://www.reuters.com/article/us-britain-slavery-homelessness/human-traffickers-lure-uks-homeless-into-modern-slavery-charities-idUSKBN1CZ253>

^{xxvii} The Passage, Understanding and Responding to Modern Slavery within the Homelessness Sector, 2017, <http://www.antislaverycommissioner.co.uk/media/1115/understanding-and-responding-to-modern-slavery-within-the-homelessness-sector.pdf>

-
- xxviii Home Office, the economic and social costs of modern slavery, 2018
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/729836/economic-and-social-costs-of-modern-slavery-horr100.pdf
- xxix University of Nottingham Rights Lab, The Modern Slavery (Victim Support) Bill, A Cost-Benefit Analysis, 2019
- xxx DCLG, Evidence review of the costs of homelessness, 2012,
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/7596/2200485.pdf
- xxxii Home Office, the economic and social costs of modern slavery, 2018
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/729836/economic-and-social-costs-of-modern-slavery-horr100.pdf
- xxxiii *ibid*
- xxxiiii ESG, Modern Slavery Toolkit, <http://toolkit.cdccgroup.com/es-topics/managing-the-risk-of-modern-slavery/#:~:text=Modern%20slavery%20is%20a%20pernicious%20and%20widespread%20problem,16%20million%20people%20work%20in%20the%20private%20sector.>
- xxxv Walby, S. , Bell, P., Bowstead, J., Feder, G., Fraser, A., Herbert, A., Kirby, S., McManus, S. , Morris, S., Oram, S., Phoenix, J. , Pullerits, M. and Verrall, R. (2020). Study on the economic, social and human costs of trafficking in human beings within the EU (10.2837/98239). Luxembourg: European Commission.
- xxxvi GLA Conservatives, Shadow City, exposing human trafficking in everyday London,
<https://www.lawrs.org.uk/wp-content/uploads/2015/01/Shadow-City-Exposing-Human-Trafficking.pdf>
- xxxvii *ibid*
- xxxviii Home Office, Understanding Organised Crime: Estimating the Scale and the Social Economic Costs, (Research Report 73, 2013)
- xxxix Home Office, the economic and social costs of modern slavery, 2018
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/729836/economic-and-social-costs-of-modern-slavery-horr100.pdf
- xl University of Nottingham Rights Lab, The Modern Slavery (Victim Support) Bill, A Cost-Benefit Analysis, 2019
- xli *ibid*
- xlii *ibid*
- xliiii *ibid*
- xliiiii *ibid*
- xlv ONS, Overview of the UK population: January 2021
<https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/articles/overviewoftheukpopulation/january2021>
- xlvi 2021 population projection based on the 2011 Census, <https://www.haringey.gov.uk/local-democracy/about-council/state-borough/haringey-census-statistics>
- xlvii See Appendix A
- xlviii London Data Store, Population, <https://data.london.gov.uk/social-evidence-base/population/>
- xlix Haringey Council, Homelessness Strategy 2018, Pg15
<https://www.minutes.haringey.gov.uk/documents/s100152/Appendix1HomelessnessStrategyv24.pdf>
- l University of Nottingham Rights Lab, The Modern Slavery (Victim Support) Bill, A Cost-Benefit Analysis, 2019
- ¹ Walby, S. , Bell, P., Bowstead, J., Feder, G., Fraser, A., Herbert, A., Kirby, S., McManus, S. , Morris, S., Oram, S., Phoenix, J. , Pullerits, M. and Verrall, R. (2020). Study on the economic, social and human costs of trafficking in human beings within the EU (10.2837/98239). Luxembourg: European Commission.
- li Home Office, Local Authority Pathway Pilot, 2020
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/930538/RR_-_Evaluation_of_the_modern_slavery_Local_Authority_Pathway_Pilot_3_final_2_.pdf
- lii Police Unit referral numbers from Home Office, National Referral Mechanism Statistics UK, End of Year Summary 2019,
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/876646/national-referral-mechanism-statistics-uk-end-of-year-summary-2019.pdf. City of London Police referrals not included as the small population of the area skews the data.

This Cost Benefit Analysis was produced by Nadia Burrell (Modern Slavery Coordinator) and approved for publication by Chantelle Fatania (Public Health Consultant).