



National Audit Office

Report

by the Comptroller
and Auditor General

Home Office

Reducing modern slavery

Key facts

2,527

referrals of potential adult victims of modern slavery to the National Referral Mechanism in 2016

46%

percentage of all referrals made in 2016 that had not received a conclusive grounds decision as at March 2017

80

defendants prosecuted under the Modern Slavery Act, for 155 offences in 2016

£890 million

the Home Office's 2013 estimate of the overall social and economic cost to the UK of human trafficking for sexual exploitation alone

51%

increase in adult referrals to the National Referral Mechanism between 2014 (1,669 referrals) and 2016 (2,527)

£53.2 million

value of the victim care contract with the Salvation Army for the five years to 2020

251 days

average length of time clients were supported by the Salvation Army in the year to June 2017, against a contract assumption of 79 days

159%

increase in modern slavery crimes recorded in England and Wales, from 870 in 2015-16 to 2,255 in 2016-17, probably due to the introduction of new crime counting rules requiring relevant National Referral Mechanism referrals to be recorded as a crime

More than 400

active investigations across England and Wales as at October 2017, 85% of which were led by the police

Summary

1 Modern slavery encompasses slavery, servitude, forced and compulsory labour and human trafficking. Traffickers, often part of organised crime groups, coerce, deceive and force individuals into activities against their will through abuse and inhumane treatment. Modern slavery victims are among the most vulnerable people in our society and can be hesitant to seek help due to fear of their traffickers. Although modern slavery is considered a 'hidden' crime, many victims can be working or otherwise visible in the community, in a range of places such as car washes, nail bars and construction sites.

2 In 2014, the Home Office estimated that there were between 10,000 and 13,000 potential victims of modern slavery in the UK in 2013. This figure includes victims that have been trafficked into the UK, British nationals and children. The UK was the eighth most common country of origin of adult identified potential victims in 2016. The most frequent types of exploitation recorded were labour exploitation, sexual exploitation and domestic servitude. **Figure 1** on pages 6 and 7 provides information on how victims are identified and how perpetrators are prosecuted.

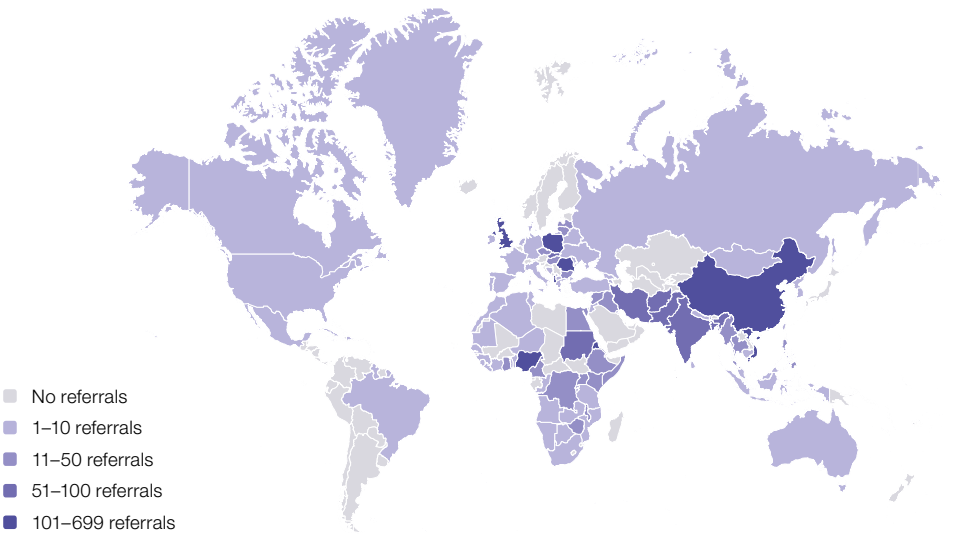
3 The Home Office is responsible for managing the UK's response to modern slavery and introduced the Modern Slavery Strategy in 2014, with the aim of significantly reducing the prevalence of modern slavery in the UK. This was followed by the Modern Slavery Act 2015, which introduced new measures to enable departments, law enforcement agencies and the judiciary to implement the strategy. The act included the appointment of the independent anti-slavery commissioner to encourage good practice in preventing, detecting, investigating and prosecuting modern slavery offences and in identifying victims. In 2016, the Prime Minister introduced a modern slavery taskforce to coordinate the response to modern slavery across government.

4 The Home Office funds and manages the process for identifying victims, known as the National Referral Mechanism (NRM). The NRM is administered by the National Crime Agency (NCA), which processes the identification of victims that are European Economic Area (EEA) nationals and refers nationals from outside the EEA and EEA nationals subject to immigration control to UK Visas and Immigration (UKVI). The NRM decision-making process applies to the whole of the UK.

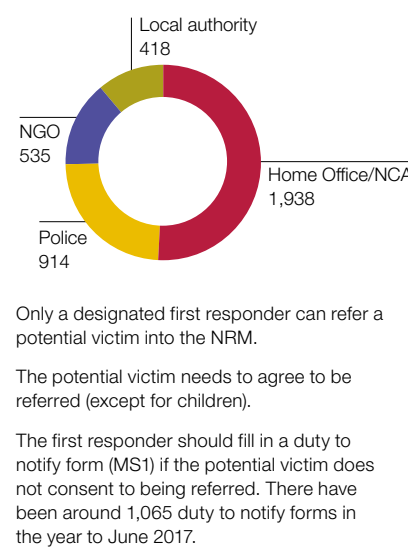
Figure 1
Identifying and prosecuting cases of modern slavery

This map provides information on how victims are identified and how perpetrators are prosecuted

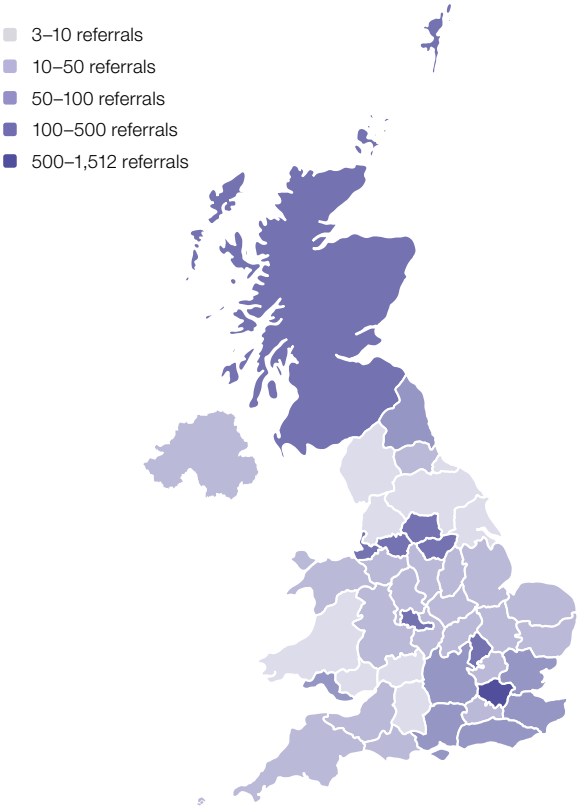
Number of referrals by nationality in 2016



Number of referrals by first responder in 2016

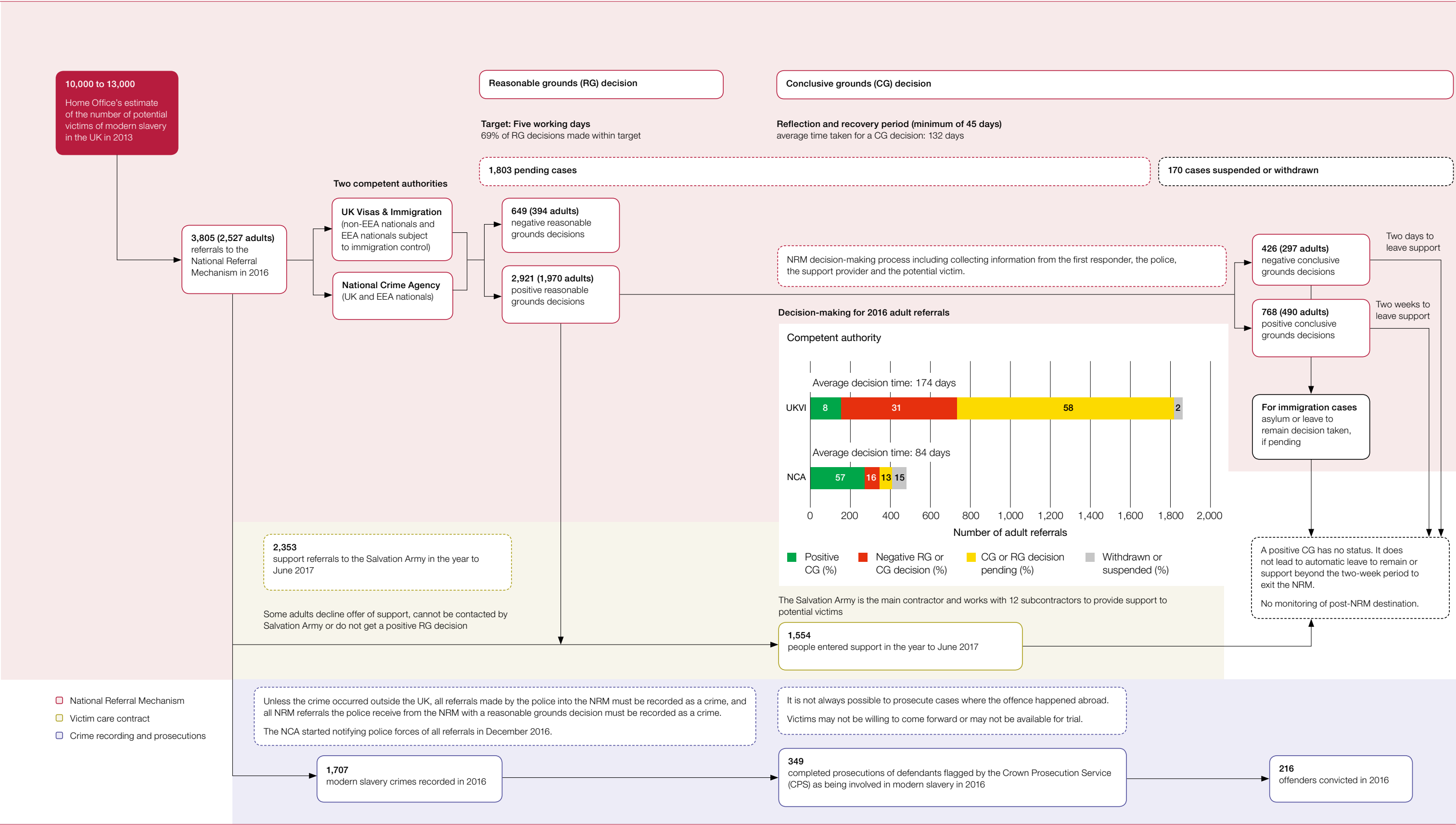


Number of referrals by police force area in 2016



Number of referrals by exploitation type and gender in 2016

Referrals in 2016	Adult			Minor		Total		
	Male	Female	Trans gender	Male	Female	Male	Female	Trans gender
Labour exploitation	925	182	0	400	68	1,325	250	0
Sexual exploitation	58	888	5	41	321	99	1,209	5
Domestic servitude	67	259	0	36	67	103	326	0
Other/ unknown	72	71	0	265	80	337	151	0
Total	1,122	1,400	5	742	536	1,864	1,936	5



Notes

- 1 National Referral Mechanism referrals are UK-wide. The Salvation Army only supports adults who request support in England and Wales. Support for children is provided through local authorities' wider safeguarding processes, and is not shown in this figure. Prosecutions data relates to England and Wales.
- 2 Figures related to decision-making are as at 7 March 2017.
- 3 Figures related to decision-making do not reconcile to the published statistics because there are 11 cases that cannot be identified.
- 4 The figure includes a small number of outlying cases.
- 5 A small number of NRM decisions are also made by Immigration Enforcement.
- 6 Cases processed by multi-agency panels during the pilots and cases processed by UKVI staff seconded within NCA are not included in the decision-making graph (total of 190 cases excluded).

Source: National Audit Office analysis of Home Office, National Crime Agency, Crown Prosecution Service and The Salvation Army material

Scope of this report

5 This report examines the Home Office's progress in reducing modern slavery in England and Wales. We consider the Home Office's progress in implementing the Modern Slavery Strategy; whether it has set clear objectives; whether it is achieving those objectives; whether its overall management of the modern slavery system is effective; and future risks to the strategy's success.

6 The report covers:

- governance of the UK's response to modern slavery and whether it provides an effective platform to deliver the government's ambition (Part One);
- the National Referral Mechanism, and its effectiveness in identifying victims of modern slavery (Part Two);
- the support for potential victims and whether it adequately addresses the victims' needs (Part Three); and
- the performance of police forces and the Crown Prosecution Service (CPS) in prosecuting offenders (Part Four).

7 This report does not examine the Home Office's objectives and outcomes relating to children who are potential victims of modern slavery because support for children is provided through local authorities' wider safeguarding processes. All the figures quoted throughout the report refer to adults only, unless otherwise stated. The NRM decision-making and Home Office's wider governance arrangements apply to the whole of the UK but the data used throughout the report relate to England and Wales only. The report also does not cover any activities that the government undertakes in order to eradicate modern slavery internationally.

Key findings

On the governance of the UK's response to modern slavery

8 The Home Office identified a problem and put in place a modern slavery strategy that aims to significantly reduce the prevalence of modern slavery.

The Modern Slavery Strategy sets out the government's aim to significantly reduce the prevalence of modern slavery in the UK and enhance the UK's international response, although international aspects of the strategy are not covered by our report. The 2015 Modern Slavery Act made provisions about slavery, servitude and forced or compulsory labour and about human trafficking, including provision for the protection of victims and for an independent anti-slavery commissioner. The Home Office analysed data on modern slavery to better understand the prevalence of modern slavery. It estimated in 2014 that there were between 10,000 and 13,000 potential victims of modern slavery in the UK in 2013 (paragraphs 1.2 and 1.3).

9 The Modern Slavery Strategy does not set out clear activities for the Home Office or a means of monitoring progress. The strategy's stated aim is to reduce significantly the prevalence of modern slavery in the UK, but the Home Office has not set out how such a reduction could be measured, or how it will take into account the impact of increased reporting as a result of raised awareness on the number of NRM referrals. In summer 2016 the Modern Slavery threat group put in place a law enforcement focused Modern Slavery Strategic Action Plan, which is coordinated and supported by the NCA. Since November 2016, the Cabinet Office has collated a performance report for the taskforce and its officials group which includes measures of victims identified, number of operations and rates of crime recording and prosecution, collected from relevant organisations. The Home Office has not set targets for the reported measures or defined what improved performance would look like. However, it is in the process of considering different performance framework options (paragraphs 1.4 to 1.6).

10 The Home Office does not know how much is spent on tackling modern slavery across government or how effective that expenditure is. The Home Office's Modern Slavery Unit has a budget of £1.5 million for 2017-18, which mainly relates to staff costs. The Home Office does not calculate the total amount it spends on tackling modern slavery each year or collate budgets for spending across government on tackling modern slavery, and does not report financial measures to the taskforce. We calculated that known government expenditure dedicated to tackling modern slavery is in excess of £100 million. This figure covers expenditure across different time periods, however, and also excludes expenditure from other organisations who have significant roles in tackling modern slavery, such as the CPS and the NCA. While the Home Office has increased funding to reduce the backlog of cases in the NRM, it is not able to look consistently across government to prioritise where to invest resources to have greatest impact (paragraphs 1.7 and 1.8).

11 Accountability for delivering the modern slavery strategy is unclear. There is no all-encompassing governance structure, and tackling modern slavery was not set up as a coherent programme. A wide variety of public sector organisations deliver the Modern Slavery Strategy, alongside businesses and NGOs, and a number of governance boards with different oversight responsibilities. The Home Office has not mapped the roles and activities of all organisations that deliver the strategy, or the governance boards involved in their oversight. The NCA has mapped responsibilities across organisations involved in law enforcement, including identifying where organisations play a lead, supporting or coordinating role. The Cabinet Office established the taskforce to coordinate the response to modern slavery across government, supported by an officials group. However, stakeholders we interviewed told us that the governance structures are unclear (paragraphs 1.9 to 1.11).

12 Businesses have to report what they are doing to prevent human trafficking in their supply chains but the Home Office does not monitor compliance.

Under the Modern Slavery Act 2015, the UK government introduced a requirement for businesses with a turnover of more than £36 million to produce an annual slavery and human trafficking statement. The Home Office produced guidance on what the statements should include, but it relies on NGOs and investors to encourage businesses to comply. While NGOs have compiled registries of statements and undertaken reviews, the Home Office does not produce a list of businesses that are expected to comply with the legislation and cannot say how many companies that should have produced a statement have done so. It has also acknowledged that the statements vary in quality. Statements therefore do not provide equal levels of assurance to those scrutinising them (paragraphs 1.13 to 1.14).

On the National Referral Mechanism

13 Referrals to the NRM have increased but the Home Office does not know if this is due to increased awareness or increased prevalence of modern slavery.

The Home Office introduced the NRM in 2009 as a framework for identifying victims of human trafficking or modern slavery and ensuring they receive the appropriate support. There were 2,527 adult referrals in 2016, a 51% increase compared with 2014 when the strategy was introduced. The number of referrals has continued to increase in 2017, with 1,445 adult referrals between January and June 2017. The Home Office has not set any expectations on when it expects the number of referrals to decrease as a result of government's efforts to significantly reduce the prevalence of modern slavery (paragraphs 2.2 and 2.6).

14 The Home Office has been very slow to implement improvements to the NRM, despite recognising a series of problems in 2014. The NRM has been in place since 2009 and the Home Office has been slow to make improvements. The Home Office recognises that the NRM process is inefficient and in need of an overhaul. Its 2014 review of the NRM found that the support system needed to be redesigned, especially to clarify roles and responsibilities. The Home Office set up pilots of changes to the NRM in August 2015 and published its evaluation in October 2017. Despite the review taking place in 2014, so far the Home Office has made no changes to improve the NRM process (paragraphs 2.5 and 2.13 to 2.14).

15 The quality of data collected by the Home Office and NCA is variable, leading to an incomplete picture of the crime, the victims and the perpetrators.

Our analysis of the NRM's data revealed multiple errors and duplicate entries making it difficult to use the data to understand the crime. The Home Office is aware of these problems and is currently digitising the system in order to improve the accuracy of the NRM data. The NRM process does not capture those potential victims who do not consent to be referred, resulting in a further gap in understanding of the crime. In November 2015, the Home Office introduced a duty for statutory agencies to notify the Secretary of State of any adult who they believe is a victim of modern slavery. This includes a separate notification form (MS1) where an adult does not consent to be entered into the NRM. However, the number of MS1 reports remains low (around 1,065 in the year to June 2017), suggesting that some potential victims are still not being identified. In order to improve understanding of modern slavery crime UK law enforcement established the Joint Slavery and Trafficking Analysis Centre (JSTAC) in 2017-18. The Home Office also published a typology of modern slavery offences and offenders in the UK in October 2017 (paragraphs 2.5 and 2.9 to 2.11).

16 NCA and UKVI are taking longer than they expect to make decisions, causing further distress and anxiety to the vulnerable people in the system.

The Home Office has set no target for how long it should take for victims of modern slavery to come through the NRM, but it has set an expectation that a decision should be made as soon as possible following the 45-day recovery and reflection period potential victims are entitled to. For two-thirds of those referred in 2016-17, the government took longer than 90 days to make a conclusive grounds decision (these data include adult and children referrals). Many victims of modern slavery also make asylum claims. The Home Office cannot take a negative decision on an asylum claim while a person is being considered under the NRM. Delays in the NRM risk slowing down asylum claims. The potential victims we interviewed also told us that a key concern was the anxiety and uncertainty they face while waiting for a decision, especially in relation to their eligibility to remain in the UK (paragraphs 2.4 and 2.12 to 2.13).

17 The Home Office did not sufficiently understand the costs involved in providing care when it specified the contract for victim support services.

In 2015, the Home Office awarded the Salvation Army the victim care contract to support potential victims of modern slavery. The early estimates of the five-year contract to 2020 ranged between £40 million and £43.2 million. In 2016, the Home Office reviewed these cost estimates and revised the figure to £53.2 million for the period 2015-16 to 2019-20. Despite this revision, the Home Office is still overspending against the contract and forecasts that it will cost around £90 million. The Home Office used a series of assumptions to estimate the value of the contract that have turned out to be wrong. For example, it assumed that the average time spent in receiving support is 79 days when the Salvation Army record that it is 251 days for those exiting the service in the year to June 2017 (paragraphs 3.3 and 3.7 to 3.9).

18 The Salvation Army and its subcontractors are not subject to independent inspections or standards of care. The Salvation Army performs annual audits of its victim support subcontractors against finances, information security and safeguarding. The Home Office told us that it operates on a ‘trust basis’ with the Salvation Army and does not actively check the performance information it receives. The Home Office has not put in place a robust inspection regime to check the quality of care and support provided in safe houses. The Home Office set a key performance indicator requiring safe houses to be inspected by the Care Quality Commission (CQC). But it was unaware that safe houses do not fall within the CQC’s remit. In the absence of care standards and a robust inspection regime, the Home Office has no way of evaluating the quality of care provided (paragraphs 3.11 to 3.14).

19 The Home Office does not collect information on outcomes for victims once they leave support. There is no clear government provision of support for confirmed victims after they receive an NRM decision. A confirmation that someone has been a victim of modern slavery has no legal status in the UK and does not entitle the victim to support. Confirmed victims have two weeks to leave the Salvation Army support, and no specific support from that point. The Home Office has no assurance that victims are not trafficked again, potentially undermining the support given through the NRM (paragraph 3.6).

On prosecuting offenders

20 Police forces’ approach to tackling modern slavery and the number of NRM referrals made varies significantly by region. While the Home Office expects the prevalence of modern slavery offences to vary by region, it accepts that the importance of tackling modern slavery has not been recognised equally by all forces. The three police forces with the highest number of adult referrals have made more than 900 referrals since the NRM began in 2009, while six police forces have referred fewer than 10 adult potential victims each in the same period. The ratio between the forces with the highest number of referrals and the lowest number of adult referrals is much higher than for other types of crime. Police forces we spoke to said they would welcome centralised national support. In October 2016, the Home Secretary announced £8.5 million of funding for the Police Transformation Fund to help law enforcement agencies tackle modern slavery, but we have seen limited progress in the first year of the programme (paragraphs 4.2 to 4.4).

21 There have been few prosecutions and convictions for modern slavery

offences. In 2016, only 80 defendants were prosecuted under the Modern Slavery Act for 155 modern slavery offences, rising from 26 in the previous year for 27 offences. This legislation can only be used for crimes committed after the Act was introduced and as modern slavery cases take a long time to build (two to five years) it is difficult to benchmark. There has been increasing use of the Modern Slavery Act to prosecute defendants, although the overall volume of prosecutions related to modern slavery is relatively small. In 2016, there were 349 completed prosecutions of defendants flagged by the CPS as being involved in modern slavery, of which 62% resulted in conviction. Despite this conviction rate being in line with other hidden crimes, a small proportion of the crimes recorded by the police result in a charge. The average length of a custodial sentence for modern slavery between 2014 and 2016 was around four years. The Modern Slavery Act has set the maximum sentence to life in prison, but that sentence has not yet been used (paragraphs 4.8 to 4.11).

Conclusion on value for money

22 The Home Office has laid some important foundations for achieving its goal to significantly reduce modern slavery in the UK. Annual adult referrals of potential victims to the NRM have increased substantially between 2014, when the Modern Slavery Strategy was introduced, and 2016, showing that more potential victims are being identified. However, the Home Office has limited means of tracking its progress and there remains much more to do to ensure victims of modern slavery are identified, protected and supported effectively.

23 The Home Office has an incomplete picture of the crime, the victims and the perpetrators. Accountabilities within the strategy are unclear, oversight of victims' support is inadequate and few cases lead to prosecution or conviction. Until the government is able to establish effective oversight of the modern slavery system as a whole it will not be able to achieve its objective of significantly reducing the prevalence of modern slavery or demonstrate that it is achieving value for money for the resources it applies.

Recommendations

- a** To ensure that the system works effectively, the Home Office should:
- set up the Modern Slavery Strategy as a distinct programme with a senior responsible owner, target deliverables and a risk management framework;
 - develop indicators, with targets, to allow it to measure the effectiveness of activities undertaken to tackle modern slavery on a regular basis;
 - set out the responsibilities, in consultation with other departments and agencies involved, of all government organisations involved in tackling modern slavery, including oversight responsibilities for the system as a whole, and responsibilities within the NRM, as soon as the revised process is in place; and
 - continue its work to try to gain a better understanding of the crime, the victims and the perpetrators.
- b** To improve victim services, the Home Office should:
- urgently put in place care standards and an inspection regime to ensure that the quality of all care reaches a minimum standard; and
 - establish mechanisms for monitoring the outcomes for victims who exit the NRM to tackle the risk of victims being re-trafficked and to understand the support that identified victims require, to the extent that victims wish to engage after exiting the NRM.
- c** To address issues in the way it manages and administers the victim care contract the Home Office should review the contract to strengthen both performance management and commercial oversight.
- d** The Home Office together with local and central law enforcement organisations, should develop mechanisms for sharing good practice among police forces and prosecution services to address regional variations in approaches to tackling modern slavery.