

Title: Modern Slavery Bill: Statutory Duty to Report IA No: HO0098 Lead department or agency: Home Office Other departments or agencies: MoJ, DfE Final version	Impact Assessment (IA)		
	Date: 06/11/2013		
	Stage: Final		
	Source of intervention: Domestic		
	Type of measure: Primary legislation		
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Summary: Intervention and Options	RPC Opinion: RPC Opinion Status
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Cost of Preferred (or more likely) Option			
Total Net Present Value	Business Net Present Value	Net cost to business per year (EANCB on 2009 prices)	In scope of One-In, Measure qualifies as One-Out?
-£0.32m	-£0.09m	£0.001m	Yes In

What is the problem under consideration? Why is government intervention necessary?

Modern slavery is a very serious crime and the Government is committed to strengthening the UK's response. Currently, First Responders (police, local authorities, immigration staff and ~~specified non-governmental organisations~~ (NGOs)) have authority to refer potential human trafficking victims to the UK Human Trafficking Centre (part of the National Crime Agency) through the National Referral Mechanism (NRM). However, not all cases are reported and guidance / initiatives have failed to improve levels of reporting. A new statutory duty would require all potential victims to be reported by public sector first responders, allowing them to remain anonymous but for data on cases to be collected and victim status reported. This duty will also be placed on NGOs by amending the policy on first responder designation.

What are the policy objectives and the intended effects?

Evidence from the UK Human Trafficking Centre within the National Crime Agency (NCA) suggests that trafficking offences are under-reported. This results in gaps in intelligence and hampers law enforcement. The policy objective is to ensure that cases are reported to the NCA whenever a potential victim is encountered by a First Responder. Its intended effect is to improve the evidence base on the scale and nature of human trafficking in the UK, which should, in turn, improve law enforcement activity and central Government's policy response.

What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence Base)

Option 1: (Do nothing) Maintain current referral arrangements. Professionals designated as first responders are expected, but not legally obligated, to refer all potential trafficking victims to the NRM (though they require the adult potential victim's permission and signature to do so).

Option 2: A statutory duty to report potential victims of trafficking – public sector first responders would report the potential victim, and relevant information to do with his/her circumstances, based on information already captured in the existing NRM form, to the National Crime Agency. This process could be completed without significant new burdens and victim's details could be omitted unless they consented to being referred to the NRM. This duty will also be placed on NGO first responders by amending the policy on first responder designation. This is judged to be the most resource-effective route to improving the UK law enforcement arrangements and associated intelligence data collection.

Will the policy be reviewed? It will not be reviewed. If applicable, set review date: Month/Year					
Does implementation go beyond minimum EU requirements?				Yes	
Are any of these organisations in scope? If Micros not exempted set out reason in Evidence Base.		Micro No	< 20 No	Small No	Medium No
What is the CO ₂ equivalent change in greenhouse gas emissions? (Million tonnes CO ₂ equivalent)				Traded: N/A	
				Non-traded: N/A	

I have read the Impact Assessment and I am satisfied that (a) it represents a fair and reasonable view of the expected costs, benefits and impact of the policy, and (b) that the benefits justify the costs.

Signed by the responsible :Minister _____ Date: _____

Summary: Analysis & Evidence

Policy Option 2

Description:

FULL ECONOMIC ASSESSMENT

Price Base Year 2013	PV Base Year 2013	Time Period Years 10	Net Benefit (Present Value (PV)) (£m)		
			Low: Optional	High: Optional	Best Estimate: -0.32

COSTS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	Optional	Optional	Optional
High	Optional	Optional	Optional
Best Estimate		0.04	0.32

Description and scale of key monetised costs by 'main affected groups'

Total cost of the time it will take first responders (Designated Non Governmental Organisations, UK police forces, the Home Office, Local Authority Children Services and the Gangmasters' Licensing Authority) to report potential victims of human trafficking (based on the assumption of an additional 1,477 reports).

Other key non-monetised costs by 'main affected groups'

No key non-monetised costs have been identified.

BENEFITS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	Optional	Optional	Optional
High	Optional	Optional	Optional
Best Estimate			

Description and scale of key monetised benefits by 'main affected groups'

No monetised benefits have been quantified. Breakeven analysis reveals that only a very small reduction in the costs associated with human trafficking would be required in order for the benefits to outweigh the costs of the measure.

Other key non-monetised benefits by 'main affected groups'

The statutory duty to report potential victims of human trafficking will improve intelligence on human trafficking victims leading to more effective enforcement. This could lead to a potential reduction in the social and economic costs of human trafficking.

Key assumptions/sensitivities/risks	Discount rate (%)	3.5%
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The change in the statutory duty to report will generate an additional 1,477 reports per year. The additional reporting required will fall to the different types of first responder in the same proportions as the current levels of reporting. It will take a first responder 15 minutes to complete the report form. It will take an NCA officer around 35 minutes to record each additional report on NCA systems. There will be no training costs associated with the introduction of the statutory duty to report. The extent to which human trafficking may be reduced following the introduction of this measure is unknown.

BUSINESS ASSESSMENT (Option 1)

Direct impact on business (Equivalent Annual) £m:			In scope of OIOO?	Measure qualifies as
Costs: 0.001	Benefits: None	Net: -0.001	YES	IN

A. Strategic Overview

A.1 Background

Modern slavery (human trafficking and exploitation) is a very serious crime which is regrettably evident across national borders and in Britain. The Government's human trafficking (HT) strategy is to improve identification and support for victims; to work "upstream" to stop the threat early; to take smarter action at our Borders; and to improve the coordination of the law enforcement response. The Modern Slavery (Trafficking) Bill will deliver on these aims, enabling us to tackle the organised criminals behind such serious crimes as well as underpinning the Home Office's wider 'Serious and Organised Crime Strategy' through the newly established National Crime Agency.

The proposed Bill will:

- consolidate existing relevant legislation;
- introduce an Anti-Slavery Commissioner;
- introduce Slavery and Trafficking Prevention Orders and Slavery and Trafficking Risk Orders;
- introduce a statutory duty to report potential victims of trafficking to the NCA; and
- Increase maximum sentences available following conviction for slavery and human trafficking offences to life imprisonment.

Collectively, these measures will strengthen the UK's response to human trafficking and help bring alleged criminals to justice.

To note, this policy measure is the only element of the Bill which will raise a new burden for business (NGOs), so this impact assessment focuses on this element of the Bill. The Government's proposal is to place a statutory duty on all public sector First Responders so that all potential cases of human trafficking are reported to the National Crime Agency (NCA) whenever a potential victim is encountered by a First Responder. This duty will also be placed on NGO First Responders (see list below) by amending the policy on first responder designation.

A further IA with further analysis of the impact of other measures will be produced before the Bill is introduced in Parliament.

A.2 Groups Affected

The bodies to which the policy measure would apply are those designated as First Responders under the current national arrangements (NRM) namely:

UKHTC (National Crime Agency)

NGOs:

Salvation Army

Poppy Project

Migrant Helpline

Medaille Trust

Kalayaan

Barnardos

Unseen

TARA Project (Scotland)

NSPCC (CTAC)

BAWSO

New Pathways

UK Police Forces

Home Office (UK Border Force, UK Visas and Immigration)

Local Authorities

Gangmasters' Licensing Authority

Health and Social Care Trusts (Northern Ireland)

Additional NGOs can apply to the Home Office for first responder status, which is assessed on a case-by-case basis.

A.3 Consultation

Within Government

Home Office has consulted with all relevant Departmental policy interests.
Home Office will secure full HA clearance, in line with Bill procedures.

Public Consultation

There will be pre-legislative scrutiny following the publication of the draft Bill in December 2013.
Home Office will consult the UK Jurisdictions under pre-legislative preparations.

B. Rationale

To best tackle human trafficking, it is necessary to fully understand its scale and nature in the UK. Generally, trafficking is a hidden crime and it is a challenge to gain a sense of the true scale and nature of this issue in the UK. Where victims are encountered, we believe that they are not always being referred to the National Referral Mechanism, which is the gateway to support for victims and a source of intelligence for policy makers and law enforcement.

The proposal is supported by evidence from the UK Human Trafficking Centre (UKHTC) Strategic Assessment for 2012, which estimated that there were up to 2,255 possible victims of human trafficking in the UK. Of these, only 778 were positive / outstanding cases that were referred to the NRM. This means that there were 1,477 additional cases identified through the UKHTC process.¹ This 'gap' represents the possible number that would be picked up through statutory reporting.

The proposal is also supported by anecdotal evidence from stakeholders that not all cases they encounter are reported.

Various non-regulatory options have been undertaken. The Home Office has published a practical guide to identify and act on potential human trafficking, and a guide for first responders to child victims, encouraging referral to the NRM. Although NRM referrals are gradually increasing, there is a gap of around 1,500 between the NRM referral figure (1,186, of which only 778 were positive / outstanding cases that were referred to the NRM) and the estimated encounters (2,255) from the UKHTC analysis. Previous non-legislative efforts therefore have not been sufficient to address this issue.

C. Objectives

To reduce the social and economic costs of human trafficking through an improved intelligence picture. Reporting cases to the NCA whenever a potential victim is encountered by a First Responder will improve the evidence base on the scale and nature of human trafficking in the UK.

D. Options

Option 1: (Do nothing): Currently referrals of potential victims of trafficking are made to the National Referral Mechanism (NRM) via the UKHTC (part of the National Crime Agency) by Government-designated first responders. Professionals who are designated as First Responders are expected to refer all potential trafficking victims to the NRM (although they require adult potential victim's permission and signature to do so). However there is currently no statutory obligation to do so. There are currently no consequences for failure to refer. Evidence suggests that a number of cases are not being referred through the current process.

¹ UKHTC: a strategic assessment on the nature and scale of human trafficking in 2012, at: <http://www.nationalcrimeagency.gov.uk/news-media/publications/15-ukhtc-strategic-assessment-on-human-trafficking-in-2012/file>.

Option 2 A statutory duty to report potential victims of trafficking - the First Responder would report the potential victim, and relevant information to do with his/her circumstances, based on information already captured in the existing NRM form, to the National Crime Agency. Process could be completed without including the victim's details and would not require their signature or permission, unless they wished to consent to being referred to the NRM. This would improve data collection where the potential victim did not want to be referred into the NRM process. Complying with this reporting requirement would also be a condition of being a First Responder for NGOs.

E. Appraisal (Costs and Benefits)

GENERAL ASSUMPTIONS & DATA

There are a number of unknowns in relation to introducing the statutory duty to report potential victims of human trafficking (option 1). Sensitivity analysis of the key assumptions is explained at the end of this section.

Number of additional reports

- It is not known how many additional reports on potential victims of human trafficking will be generated.
- This number has been estimated at around 1,500 (assumption). This estimation is informed by the United Kingdom Human Trafficking Centre's (UKHTC) strategic assessments. These assessments, which were undertaken in 2011 and 2012, and requested intelligence held on all potential human trafficking victims from UK police forces, Police Scotland (formerly all police forces in Scotland), the UK Border Agency (UKBA), UK Border Force, the Gangmasters' Licensing Authority (GLA), all Local Safeguarding Children Boards and 23 NGOs who work with victims of human trafficking². In 2012 this report identified that there were up to 2,255 possible victims of human trafficking in the UK.³ Of these, 1,186 are referred through NRM, but that only includes 778 positive / outstanding cases (ie the others got negative decisions). There are therefore 1,477 additional cases (2,255-778) identified through the UKHTC process. This 'gap' represents the possible number that would be picked up through statutory reporting.
- Based on this intelligence information, we estimate that a statutory duty to report any potential victims of human trafficking will result in the identification and thus reporting of around 1,500 additional cases.
- This figure is likely to underestimate the additional reporting required as not all First Responders provided a return to these intelligence requests.⁴ In the absence of data or evidence we are unable to estimate how much of an underestimate this may be.

How additional reporting requirements will affect different first responders

- Due to an absence of data and evidence, it has not been possible to accurately quantify or inform how many additional reports will be generated across each type of first responder.
- Consequently, an assumption has been made that any additional reporting that is required will be split in the same organisational proportions as existing reporting. Based on the inter-departmental ministerial group report on human trafficking⁵, these first responder proportions are 17% NGOs (205/1186), 25% Police (300), 43% Home Office (505), 13% local authorities (156) and 2% (20) Gangmasters' Licensing Authority (GLA). When scaled up to reflect the anticipated 1,477 additional reports this would result in the following breakdown of first responder impact:
NGOs - 251 additional reports
Police - 369 additional reports
Home Office - 635 additional reports

² This a larger numbers of NGOS than the 11 First Responders listed at section A2, so not all will be First Responders.

³ UKHTC: a strategic assessment on the nature and scale of human trafficking in 2012, at: <http://www.nationalcrimeagency.gov.uk/news-media/publications/15-ukhtc-strategic-assessment-on-human-trafficking-in-2012/file>.

⁴ In 2012 the UKHTC intelligence requirement responses were received from 17 police forces (of which 10 provided intelligence, six provided a nil return and one stated they had already provided the information), Interpol, the Gangmasters' Licensing Authority, UK Border Agency, UK Border Force and three NGOs (of a possible 23 who worked with victims of human trafficking). In 2011 the UKHTC intelligence requirement responses were received from 21 police forces (of which seven provided a nil return), UK Border Agency and nine NGOs (of a possible 25 who worked with victims of human trafficking). These are larger numbers of NGOS than the 11 First Responders listed at section A2, so not all will be First Responders.

⁵ Human trafficking: Inter-departmental ministerial group report, 2013 (<https://www.gov.uk/government/publications/human-trafficking-inter-departmental-ministerial-group-report-2013>)

Local authorities -192 additional reports

Gangmasters' Licensing Authority - 30 additional reports

The assumption on proportions may be incorrect as the new duty will address the fact that not all potential trafficking cases encountered by first responders are being reported. For example, it is believed, within the Home Office, that Immigration and Border staff already refer a high proportion of cases. More generally, however, it is not feasible to estimate relative reporting rates by first responder sector. When reporting becomes statutory, these proportions may well change,

Reporting requirements

- Time taken to complete the three page form – 15 minutes for one individual.⁶
- Cost of form - free (will be made available online).

Monetary costs associated with completion of the reporting form

- *All hourly rates have uprated to 2013/14 (with the exception of GLA whose rate was already based on 2013 salary rates) using the GDP deflator and include a standard 16.4% adjustment for add on costs (for training and equipment).*
- Police officer – average hourly rate would be £34.06 (assumption that the report would be completed at Sergeant level or below).⁷
- Local Authority Children's Services staff – average hourly rate would be £20.05 (assumption that the report would be completed by a social worker within the local authority).⁸
- Immigration Border Protection (Home Office) staff – average hourly rate of a civil servant would be £15.82 (assumption that the report would be completed at executive officer level).⁹
- Gangmasters' Licensing Authority - median hourly rate would be £15.68 (assumption that the report would be completed by an enforcement officer and calculated based on the standard civil service (outside of London) 42 hours working week).¹⁰
- NGO – average hourly rate of £17.29 (assumption that the report would be completed by an administrative or secretarial professional).¹¹

Processing increased intelligence

It is proposed that the additional reporting is made to the UK Human Trafficking Centre (UKHTC). NRM data recording, and intelligence gathering and analysis is a role that is already performed by the UKHTC.

Relevant current costs (note these are existing costs not additional costs), for the UKHTC are:

- Data input of potential victims recorded on its intelligence database (1,991 in 2012 UKHTC strategic assessment).
- Additional data collection, though its 'dissemination requirement,' of information on other potential victims (393 in 2012 UKHTC strategic assessment).
- Data matching, to identify duplicated cases in these two datasets.
- Non-monetised costs of missed data.

Should the preferred option be implemented, additional costs for the UKHTC are:

- Increased volume of data to process; it is estimated that this could be 15 minutes' data input per extra form by an administrative officer / equivalent in the NCA; in future streamlining processes could minimise this impact.
- Inputting the additional NRM records on to the NCA intelligence system (not required by legislation); it is estimated that this estimated that this could be 20 minutes' data input per extra form by an administrative officer / equivalent in the NCA.

⁶ Based on anecdotal information provided by a practitioner experienced in completing the NRM form.

⁷ Home Office estimate including 'on costs', calculated using the Annual Survey of Hours and Earnings and CIPFA data.

⁸ Annual Survey of Hours and Earnings 2012. Table 14.5a, Hourly pay - Gross (£) - For all employee jobs: United Kingdom, 2012 – downloadable at <http://www.ons.gov.uk/ons/publications/re-reference-tables.html?edition=tcn%3A77-280149>.

⁹ Annual Survey of Hours and Earnings 2011. Table 14.5a Hourly pay - Gross (£) - For all employee jobs: United Kingdom, 2011- <http://www.ons.gov.uk/ons/publications/re-reference-tables.html?edition=tcn%3A77-235202>) updated to factor in 1.4% inflation.

¹⁰ See junior posts dataset at <http://gla.defra.gov.uk/Who-We-Are/GLA-Structure-and-Cost/>. Enforcement officers are paid between a scale of £26,591 - £32,240. The midpoint of this scale is £29,415.50. If this divided by 52 weeks and then 42 by this gives an hourly rate of £13.47.

¹¹ Annual Survey of Hours and Earnings 2012. Table 14.5a, Hourly pay - Gross (£) - For all employee jobs: United Kingdom, 2012 – downloadable at <http://www.ons.gov.uk/ons/publications/re-reference-tables.html?edition=tcn%3A77-280149>.

- The need for possible new reporting / data management processes; it is anticipated that changes would be compatible with NRM referral data and processes as far as possible, so minimising the costs.
- Action to gather further information on reports to turn them into actionable intelligence (not quantifiable).
- Potential action to address risk to individuals exposed in reports.
- Potential increased operational activity as a result of information received through reports (not quantifiable).
- Potential for resulting general awareness raising to result in a higher demand for UKHTC's existing resources.

However, there are also a number of potential benefits to the 'policy change' option:

- Potential reduction in the separate 'dissemination requirement' to inform the annual strategic assessment exercise as reporting will be statutory (not quantifiable).
- There may be a reduction in more general wider intelligence reports as these can now be made as NRM reports (this would not create a saving but would offset existing activity).

In summary, the costs and benefits for the UKHTC are hard to quantify, but there is a case that the 'change' option will result in some increased data-related costs. There may be some (harder to quantify) savings associated with not having to manage separate collection, and cleaning, of data. We assume that, overall, it is unlikely that **there will be a significant increase in costs for the NCA.**

This assessment does not take into account a further indirect benefit to the UKHTC: more data, providing a better national picture on the scale of HT. Although this is not a requirement of the legislation, it is hoped that this improved data would be used for UKHTC intelligence activity. This in turn could help identify offenders and victims. However, such impacts would depend on completeness of the forms and the quality of information provided, and are not possible to quantify.

OPTION 2

COSTS

The Home Office assess the costs associated with this proposal as follows.

One-off costs

There are no one-off costs associated with the introduction of statutory duty to report potential victims of human trafficking. Many first responders already report potential victims through the NRM and there are already existing guidance documents and notes available for making these referrals.¹² The statutory duty to report form will be based on the existing NRM referral form.

Ongoing costs

Ongoing costs will include the monetary cost of the time it will take the first responders to complete the report.

Cost of additional reporting = cost for 15 minutes of first respondent time x number of additional reports.

- Cost to Designated NGOs: £17.29 x 15/60 x 251 = £1,085.
- Cost to UK police forces: £34.06 x 15/60 x 369 = £3,144
- Immigration Border Protection (Home Office): £15.82 x 15/60 x 635 = £2,512
- Local Authority Children's Services: £20.05 x 15/60 x 192 = £962
- Gangmasters' Licensing Authority: £15.68 x 15/60 x 30 = £116.

¹² See Home Office (2013) National Referral Mechanism: guidance for child first responders https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/244697/NRM_First_Responder_Guidance.pdf and National referral form for potential adult victims of trafficking and the national referral form for child victims of trafficking <https://www.gov.uk/government/publications/human-trafficking-victims-referral-and-assessment-forms>

Cost of recording information onto NCA systems = cost for 35 minutes of NCA officer's time x number of additional reports:
 $£34.06 \times 35/60 \times 1477 = £29,346$.

Total cost of additional reporting = £37,165 per year.

BENEFITS

The statutory duty to report (but not refer which, in the case of adults, requires consent) potential victims of human trafficking will help to improve information on potential human trafficking victims and offenders and thus help us to better understand the scale and nature of human trafficking in the UK. This is supported by evidence from the UKHTC intelligence requirements for 2011 and 2012, which both demonstrate that there are additional potential victims of human trafficking who are not currently being reported through the national reporting mechanism (NRM). Currently, if victims do not consent to be referred to the NRM, information on these cases are not captured.

The new statutory duty to report will ensure that this data is captured, whilst allowing potential victims to remain anonymous if they wish.

It is suggested that the additional information generated could result in more effective enforcement against human trafficking offenders, which in turn may impact on reducing human trafficking offences. However, there is very little existing evidence on the extent to which human trafficking may be reduced following the introduction of this statutory requirement.

The social and economic costs of human trafficking for sexual exploitation are estimated to be £890 million per year.¹³

Break-Even Analysis

The estimated costs of implementing the proposal as a proportion of the estimated social and economic costs of human trafficking for sexual exploitation are as follows:

$$(37,165 / 890,000,000) \times 100 = 0.004\%$$

As such, if implementing the policy results in even a small decrease in this form of crime, this would break even against the costs of implementation.

ONE-IN-TWO-OUT (OITO)

COSTS (INs)

The Home Office assess the costs to business associated with this proposal as follows:

Cost of an additional reporting by NGOs = cost for 15 minutes of first respondent time (£4.32) x number of additional reports (estimated at 220).

- Cost to Designated NGOs: $£17.29 \times 15/60 \times 251 = £1,085$

BENEFITS

None.

NET

This measure is a **NET IN** worth £1,085 per year, or £0.001m on an EANCB accounting basis.

¹³ Home Office (2013). Understanding organised crime: estimating the scale and social and economic costs. . <https://www.gov.uk/government/publications/understanding-organised-crime-estimating-the-scale-and-the-social-and-economic-costs>

Sensitivity analysis

Assumption: *The change in the statutory duty to report will generate an additional 1,477 reports per year.* If a higher number of reports were actually generated, the costs for first responders would be higher. For example, if the extra reports per year were actually double what has been estimated (i.e. 2,954), and fell in the current proportions to the different first responders types, the additional annual cost would be £15,639. If the NCA processing cost (£29,346) was doubled on the same basis this would increase to £58,691. The total additional annual cost would be £74,330 (an EANBC of £0.002m).

Assumption: *The additional reporting required will fall to the different types of first responder in the same proportions as in 2012.* However, if a higher proportion of reports fall to NGOs, there will be higher costs for them. If all 1,477 of the anticipated additional reports were completed by NGO first responders, then the annual cost to NGOs would be £ £6,384 (an EANBC of £0.006m).

Assumption: *It will take a first responder 15 minutes to complete the report form.* If the average time for completion of the report form is longer, costs will increase. For example, if the form actually took one hour to complete then the additional cost of completing the additional reports would increase to £ £62,557. This would not affect NCA processing costs (which would remain at £29,346), giving a total additional cost of £91,902 (an EANBC of £0.008m).

Assumption: *No training costs.* However, if two hours is required for one member of staff per first responder organisation to assimilate the guidelines, and then cascade this to colleagues, the cost would be £12,530. This calculation is based on costs for one member of staff for all first responder organisations, other than the Home Office where the training cost is based on two hours training for one member of staff from 5 border and 18 local immigration and enforcement teams.

Even in the unlikely case that each of the four scenarios outlined above were to occur, the fall in human trafficking required to break-even remains very small (0.02%).

F. Risks

Option 1

(Doing nothing) Evidence, from the UK Human Trafficking Centre suggests that trafficking offences are routinely under-reported. This results in gaps in the intelligence picture which hampers law enforcement agencies' capacity to tackle crimes of human trafficking more robustly. If we do not improve the evidence base, the scale and nature of human trafficking in the UK will remain opaque/harder for NCA/ law enforcement to disrupt.

Option 2

There is a risk that first responders will submit incomplete or low quality forms, resulting in low quality information which may restrict the statistics that can be derived and the value of the information for intelligence purposes.

There is a risk that the statutory duty will increase the volume of cases reported to the NCA/ UKHTC, placing an unmanageable burden on their processes/ resource. The impact of this measure will depend on the completeness and quality of data and what follow up victim risk assurance activity is required. In view of current volumes/ estimates, it is considered unlikely that this will be unmanageable, but will remain under review.

G. Enforcement

Proposal will be a statutory duty. The consequences of breach for NGOs could be the withdrawal of designation and this may be on the face of legislation, subject to Ministerial decisions.

H. Summary and Recommendations

The table below outlines the costs and benefits of the proposed changes.

Table H.1 Costs and Benefits		
Option	Costs	Benefits
2	-£0.32m (NPV over 10 years)	Unknown
	Total cost of the time it will take first responders to report potential victims of human trafficking (based on the assumption of an additional 1,477 reports).	Improved intelligence on human trafficking victims leading to more effective enforcement. Potential reduction in the social and economic costs of human trafficking.
Source: Cost estimate informed by evidence included in the UKHTC: a strategic assessment on the nature and scale of human trafficking in 2012 and UKHTC: A baseline assessment on the nature and scale of human trafficking in 2011.		

Option 2 is the preferred option. The introduction of the statutory duty to report under option 2 will ensure that all intelligence on potential victims of human trafficking is shared with UKHTC. This will improve the evidence base on the scale and nature of human trafficking in the UK.

The net present value of Option 2 is -£0.32m. However this does not factor in any of the potential benefits which could not be quantified. Breakeven analysis reveals that only a very small reduction in the costs associated with human trafficking would be required in order for the benefits to outweigh the costs of the measure. And sensitivity analysis reveals that the costs are unlikely to become significant, even if the necessary assumptions turn out to be conservative.

I. Implementation

Implementation will not be until after Royal Assent and commencement. As a new Government Bill, the proposals are subject to Parliamentary process. Royal Assent may be achieved by spring 2015.

J. Monitoring and Evaluation

No additional monitoring requirements would be introduced alongside the new statutory duty.

K. Feedback

There will be formal pre-legislative scrutiny in January 2013.