



INTELLIGENCE AND SECURITY COMMITTEE OF PARLIAMENT



PRESS RELEASE

The Intelligence and Security Committee of Parliament published its Annual Report for 2012-2013 today. The Chairman of the ISC, the Rt. Hon. Sir Malcolm Rifkind MP, said:

“This is the first report to be published by the Intelligence and Security Committee of Parliament in accordance with our new powers under the Justice and Security Act 2013.

Over the past year, the Committee has taken evidence on and examined the work of the three intelligence and security Agencies and the wider intelligence community. This was an exceptionally demanding year for the Agencies, not least due to the pressures of ensuring a safe and successful Olympic and Paralympic Games. The Games represented the largest intelligence and security challenge that the Agencies have ever faced in peacetime. We commend those working in the Agencies for their considerable efforts, and congratulate all those involved on the successful outcome.

Against this backdrop, we have considered how well the Agencies have responded to the main threats the UK has faced over the last year. Our assessment is that the Agencies continue to meet their operational tasks, demonstrating innovation, professionalism, and commitment that we are keen to acknowledge.

Despite the increased profile of other threats, such as cyber security, counter-terrorism work rightly remains the primary focus of the intelligence and security Agencies. Their work analysing intelligence to understand the threat and seeking to help prevent attacks remains crucial to our national security. The Agencies have expanded their coverage of terrorist activity, particularly outside the UK, where the number of groups that have to be investigated is increasing as Al-Qaeda becomes more fragmented. The growing collaboration between Al-Qaeda affiliate organisations at both strategic and operational levels continues to be of concern, as is the increasing potential for those who travel overseas to train and fight alongside one of the Al-Qaeda affiliate groups subsequently returning to the UK and posing a threat to the UK’s national security. Recent convictions demonstrate that there are still individuals and groups who intend to carry out attacks in the UK. We note that the shape of the terrorist threat is potentially changing from tightly organised cells under the control of structured hierarchies to looser networks of small groups and individuals who operate more independently: ‘lone actors’, without substantive links to terrorist groups, continue to pose a threat.

The threat the UK is facing from cyber attacks is disturbing in its scale and complexity: we have been told this year that the threat is at its highest level ever. The theft of

intellectual property, personal details, and classified information causes significant harm, both financial and non-financial. It is incumbent on everyone – individuals, companies and the Government – to take responsibility for their own cyber security. We support the Government's efforts to raise awareness and, more importantly, to strengthen our nation's defences. The Agencies continue to focus on countering hostile foreign activity and covert intelligence gathering. However, they acknowledge that much of their work remains preparatory. The scale of the UK's effort will need to be constantly reviewed against that not just of our adversaries but also our allies: the Committee is concerned that this is an area where the UK cannot afford to fall behind.

While the Agencies' efforts to keep the UK safe remain impressive, the Committee does have a number of concerns. Most significant of these is with regard to their collaborative savings programme, which must secure savings and efficiencies during the Spending Review period. Last year we noted our concerns that plans were not in place to achieve the full £220m of savings needed, if front-line capabilities were to be protected. We have not seen much improvement this year. We recognise that during the run-up to the Olympics operational requirements were, rightly, prioritised over efficiency savings but time is running out: we are already over half-way through the Spending Review period in which these savings must be found. The Agencies have said that they are "fairly confident" that operational capabilities will be protected during the Spending Review period: given the surprising lack of clarity around the collaborative savings programme - an issue that has such far-reaching consequences - the Committee does not share that confidence.

A further issue which the Committee focussed on this year was the passage of the Justice and Security Act 2013 through Parliament. The reforms in the Act will increase the power of the ISC to oversee the work of the UK intelligence community. The ISC itself proposed many of the reforms now contained in the Act and we are therefore pleased that the Government has accepted the vast majority of our recommendations. Whilst the reforms are significant, they will need to be resourced: the new ISC of Parliament must be funded properly if the changes are to increase accountability and lead to improved oversight of the UK intelligence community.

Although not covered in our Annual Report, the Committee has taken evidence from GCHQ on the US PRISM programme and in particular the allegations that they have circumvented UK law. The Committee has also started an investigation into events surrounding the murder of Drummer Lee Rigby in Woolwich on 22 May. The Committee will be investigating the actions of the intelligence and security Agencies, and the counter-terrorism aspects of the police actions. We will publish our findings as soon and as fully as we are able, subject only to restrictions on grounds of national security or *sub judice* rules."

NOTES TO EDITORS:

1. The Intelligence and Security Committee of Parliament (ISC) was established in 1994 under the Intelligence Services Act, and was reformed this year under the Justice and Security Act. The main changes under the Justice and Security Act are:

- the ISC becomes a statutory Committee of Parliament;
- the remit is expanded beyond the intelligence Agencies to include the wider intelligence and security activities of HMG;
- the remit is expanded to include operational activity (which must either be retrospective and on matters of significant national interest, or an Inquiry undertaken at the request of the Prime Minister); and
- there is now a presumption that the ISC can ‘require’ information rather than merely ‘request’ it, as was the case previously.

2. The ISC is a cross-party committee of nine parliamentarians from the Commons and the Lords. The Committee’s current membership is as follows:

The Rt. Hon. Sir Malcolm Rifkind, MP (Chairman)

The Rt. Hon. Hazel Blears, MP

The Rt. Hon. Paul Goggins, MP

The Rt. Hon. Lord Butler KG GCB CVO

The Rt. Hon. George Howarth, MP

The Rt. Hon. Sir Menzies Campbell CH CBE QC, MP

Dr. Julian Lewis, MP

Mr Mark Field, MP

Lord Lothian QC PC

3. The Committee routinely takes evidence in private, and its Members are subject to the Official Secrets Act 1989. This ensures they are able to scrutinise the most sensitive work of the intelligence Agencies which cannot be made public. However, when producing reports, the Committee aims to put as much material as possible into the public domain, subject only to restrictions on grounds of national security or *sub judice* rules.

4. The Committee has separately published two further reports during the past year on specific matters:

- *Access to communications data by the intelligence and security Agencies* (Published in February 2013, Cm 8514)
- *Foreign Involvement in the Critical National Infrastructure* (Published in June 2013, Cm 8629).