



INTELLIGENCE AND SECURITY COMMITTEE
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INTELLIGENCE AND SECURITY COMMITTEE
ANNUAL REPORT 2007-2008

The Intelligence and Security Committee's Annual Report for 2007-2008 was laid before Parliament today by the Prime Minister.

Commenting on the Report, which was delivered to the Prime Minister on 16 December 2008, Dr. Kim Howells MP, Chairman of the Committee, said:

“Over the past year the Intelligence and Security Committee has held 26 formal meetings and 25 other meetings, and undertaken a number of visits. Our most time-consuming task during this period has been the completion of our *Review of the Intelligence on the London Terrorist Attacks on 7 July 2005*. This is the subject of a separate, detailed report, which, for legal reasons, it has not yet been possible to publish. We have also during 2008 begun investigations into a number of other areas, which we refer to in this Report but do not comment on in detail since we are still conducting our enquiries.

“The focus of this Report is the administration, policy and finance of the Agencies and issues concerning the wider intelligence community.

“There continue to be a wide range of threats to the UK, both terrorist and non-terrorist. The current threat to the UK from international terrorism is assessed as ‘Severe’. This means that there is a continuing high level of threat to the UK and, in particular, that there is a high likelihood of a terrorist attack in this country.

“The threat of international terrorism comes from a diverse range of sources, including al Qaeda and associated networks, and those who share its ideology but who do not have direct contact with them. Al Qaeda and related terrorist groups have shown an exceptional level of ambition and willingness to carry out indiscriminate terrorist attacks, and the threat they pose is likely to persist for a considerable time. This places considerable pressure on the

intelligence and security agencies – working with the police, Government departments, and other key partners – who are working to find those who are planning an attack and prevent them from carrying it through. Counter-terrorism work is highly pressurised, and often dangerous for those involved. They have achieved a number of notable successes over the past year where plots have been disrupted, and individuals brought to trial and convicted: we record our thanks to them for all their hard work.

“Whilst the primary focus is necessarily on International Counter-Terrorism (ICT) work, the UK’s intelligence and security Agencies also dedicate resources towards countering the threat posed by the proliferation of weapons of mass destruction, regional instability, espionage, and other challenges. In addition, they continue to provide unprecedented operational support to UK military operations.

“The Agencies’ resources have increased, and will continue to increase over the next three years, but they still have to make difficult decisions about priorities, often on a daily basis. The stark reality is that they cannot cover all the threats to the level we would all wish.

“This report examines all the challenges the Agencies face in allocating their resources, how they use those resources, and how we can ensure they are providing value for money [particularly in the current economic climate]. It also examines common areas of concern such as resilience.

“The Report also examines the work of the wider intelligence community: it is clear that the Agencies can not work in isolation, and therefore in overseeing them we must also examine the work of others. The Report therefore also comments on the Government’s counter-terrorism strategy (CONTEST) and the work of the Office for Security and Counter-Terrorism in the Home Office; the intelligence structure in the Cabinet Office (including the Joint Intelligence Committee and the Assessments Staff); other Agencies within the community, such as the Defence Intelligence Staff, the Joint Terrorism Analysis Centre and the Centre for the Protection of National Infrastructure; and issues which affect the community as a whole such as the use of intercept material as evidence in court, and the SCOPE IT system.

“In commenting on this Report I wish, on behalf of the Committee, to thank my predecessors, the Rt Hon Paul Murphy MP (Chairman of the Committee until January 2008), and the Rt Hon Margaret Beckett MP (Chairman of the Committee until October 2008). We are grateful to them for their excellent leadership of the Committee.”

NOTES TO EDITORS

1. The Intelligence and Security Committee, which was established by the Intelligence Services Act 1994, provides parliamentary oversight of SIS, GCHQ and the Security Service. The Committee examines the expenditure, administration and policy of the three Agencies and has access to the range of Agency activities and to highly classified information. Its cross-party membership of nine is appointed from both Houses by the Prime Minister in consultation with the Leader of the Opposition. The Committee is required to report annually to the Prime Minister on its work. These Annual Reports are placed before Parliament by the Prime Minister, after the deletion of any sensitive material. The Committee also provides ad hoc reports to the Prime Minister on occasion.

2. In this report the Committee focuses on its statutory role of examining the administration, policy and expenditure of the three Agencies – the Security Service, the Secret Intelligence Service (SIS) and the Government Communications Headquarters (GCHQ). It has also examined matters relating to the wider Intelligence Community.

3. During the reporting period, the Committee held 26 formal and 25 other meetings and took evidence from the Foreign Secretary, the Home Secretary and senior officials including the Cabinet Secretary, the Head, Intelligence, Security and Resilience, the heads of the Agencies, and the Chief of Defence Intelligence.

4. The current Committee members are:

Dr. Kim Howells, MP (Chairman) – *since 21 October 2008.*

Rt. Hon. Michael Ancram QC, MP

Rt. Hon. Sir Menzies Campbell CBE QC, MP – *since 4 December 2008*

Mr Ben Chapman, MP

Rt. Hon. Lord Foulkes of Cumnock

Rt. Hon. George Howarth, MP

Rt. Hon. Michael Mates, MP

Mr Richard Ottaway, MP

Ms Dari Taylor, MP

The former Chairman, the Rt. Hon. Margaret Beckett MP, was appointed Minister of State for Housing and Planning on 3 October 2008. Her predecessor, the Rt. Hon. Paul Murphy MP, was appointed Secretary of State for Wales on 24 January 2008. The Rt. Hon. Sir Alan Beith MP resigned from the Committee on 4 December 2008 and was replaced by the Rt. Hon Sir Menzies Campbell CBE QC MP.

5. The Committee do not discuss their work programme or evidence given to them other than through official reports or official press releases. The latest news can be found on the Committee's website - www.cabinetoffice.gov.uk/intelligence

6. Copies of the Annual Report are available from TSO (The Stationery Office). Copies of the Intelligence and Security Committee's earlier reports can be found at www.cabinetoffice.gov.uk/intelligence or can be purchased from TSO.