



**INTELLIGENCE AND SECURITY COMMITTEE**  
35 Great Smith Street, London SW1P 3BQ

**PRESS RELEASE**

The ISC's Annual Report for 2011-2012 was laid before Parliament today by the Prime Minister. The Chairman of the ISC, Sir Malcolm Rifkind MP, said:

“The ISC Annual Report covers a number of key themes this year. The most significant threat to the UK remains that from Al-Qaeda and affiliated terrorist groups, and Northern Ireland-related terrorism, and we examine the Agencies' response to this in considerable detail. We have examined how the intelligence community responded to the challenges raised by the ‘Arab Spring’, and the security preparations they have been making for the Olympic and Paralympic Games, which have placed the staff of the Security Service in particular under very significant pressure.

We have also considered the Government's proposals in the Justice and Security Bill, which seeks both to strengthen oversight of the intelligence Agencies and to protect intelligence material in civil court proceedings. The Bill, currently before the House of Lords, proposes major reform of the powers of the ISC in line with the recommendations made by the Committee itself. It broadens the remit of the Committee to include retrospective oversight of operations and provides the ISC with greater powers, access to information and resources. These are important reforms which strengthen the independence and status of the Committee.

The second part of the Bill proposes reforms to protect intelligence material in civil cases through the introduction of closed material procedures for those parts of proceedings where national security is at risk. These proposals have proven controversial: any exception to the UK's long-standing tradition of fully open justice is not to be taken lightly. The ISC has argued strongly that any new arrangements must be the exception, not the rule, and that the material to be protected must be narrowly defined. We therefore welcomed the proposals in the Bill – which are far more tightly drawn than those originally proposed – and which seek to protect only the most sensitive UK intelligence material, and material which has been provided by another country on the strict promise of confidentiality.

Members of the ISC have been given access to details of several cases in which significant and relevant material is absolutely central to the case before a judge, but which must be excluded on the grounds of national security – not even the judge can take account of it. This is deeply unsatisfactory. If cases are to be considered by the courts then all the relevant material should be made available to the judge. In a few cases, this may require part of the proceedings to be closed, but this is preferable to no proceedings at all. Some of those cases which have involved sensitive information have had to be settled by the Government to protect intelligence material. In some of those cases, justice cannot be done and taxpayers' money is paid to individuals who, on the merits of the case alone, may be entitled to nothing.

Looking at the work of the intelligence community this year, the ‘Arab Spring’ dominated. It caught many by surprise and presented a real challenge to the intelligence community which had to reprioritise quickly and redirect its resources toward the region. We appreciate that it is often impossible to predict such events. However, there remains a question as to whether, once events began to unfold, the Agencies should have anticipated the possibility that the unrest would spread quickly across the region. This demonstrates the risks that come with drawing down effort completely on lower priority areas: it is important that the Agencies (working with allies where necessary) maintain global intelligence coverage. Nevertheless overall we commend the Agencies for responding well to a fast-moving situation and for their very significant contribution to the UK response.

Al-Qaeda and its affiliates continue to pose a serious terrorist threat to the UK. This year, given the weakened capability of Al-Qaeda in Afghanistan and the tribal regions of Pakistan, there has been an increased focus on the growing threat from groups in the Arabian Peninsula and Somalia. Although Al-Qaeda in the Arabian Peninsula has been weakened by US drone strikes in Yemen, it is a resilient group that is capable of mounting an attack on the West. Nevertheless, the Agencies have continued to achieve notable successes in their counter terrorism work, even in this testing environment.

The threat level for Northern Ireland-related terrorism is SEVERE in Northern Ireland and SUBSTANTIAL in Great Britain, although the Security Service considers there are signs for cautious optimism, with the number of attacks on national security targets falling in 2011. This follows concerted efforts by the Security Service and police in Northern Ireland, leading to over 200 arrests, and to some high profile convictions. Following increases in previous years, the Service intends to maintain its resources in this area at current levels.

A continuing theme this year has been the intense work by the intelligence Agencies – particularly the Security Service – and law enforcement bodies on security preparations for the Olympic and Paralympic Games to be held in the coming weeks. This represents a critical security challenge for all concerned. The Security Service has reprioritised its work to enable them to counter potential threats from Al-Qaeda and its affiliates; Republican dissidents; hostile states and others in the run up to or during the Games. This, combined with the burden of the accreditation process and related work, has placed the Security Service under significant pressure over the past year and we wish to highlight the exceptional effort made by the staff of all three Agencies during this time.

The threat of cyber attacks and crime represents a significant risk to the UK’s national security and economic standing. Over eighteen months ago, the Government set out its plan to transform the UK’s cyber skills and capabilities by 2015 through a £650m National Cyber Security Programme. We have therefore been examining how the intelligence community has allocated this additional resource. In terms of defensive cyber capabilities, it is clear that the provision of security advice and education to Government, business and individual computer users will generate the greatest improvement to our collective cyber security. Although the Communications-Electronic Security Group (CESG) and the Centre for the Protection of National Infrastructure (CPNI), among others, continue to provide an invaluable service in this regard, we believe education and basic security measures should be given greater priority. We note that GCHQ and the other Agencies have had some success developing cyber capabilities. However, the Committee is concerned at the lack of progress over eighteen months into the National Cyber Security Programme: more needs to be done if we are to keep ahead in this fast-paced field”.

## NOTES TO EDITORS

1. The Report details the work of the Intelligence and Security Committee from June 2011 to June 2012.
2. The ISC is a cross-party Committee of nine Parliamentarians from the Lords and the Commons. The Prime Minister appoints ISC Members after considering nominations from Parliament and consulting with the Leader of the Opposition. The Committee's 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 CBE QC, MP*

*Dr Julian Lewis, MP*

*Mr Mark Field, MP*

*Lord Lothian QC PC*

3. The Intelligence and Security Committee (ISC) was established by the Intelligence Services Act 1994 to examine the policy, administration and expenditure of the Security Service, Secret Intelligence Service (SIS) and Government Communications Headquarters (GCHQ). The Committee also examines the work of the Joint Intelligence Committee (JIC), the Assessments Staff and the National Security Secretariat in the Cabinet Office, and Defence Intelligence (DI) in the Ministry of Defence.
4. Whilst the full version of the Committee's Report, including sensitive material, is submitted to the Prime Minister, material that would damage national security (for example by revealing the targets, methods, sources or operational capabilities of the intelligence Agencies) is blanked out ('redacted') from the published version. This is indicated by \*\*\* in the text. The Committee aims to ensure that only the bare minimum of text is redacted from its reports and believes it is important that Parliament and the public should be able to see where material has been redacted, rather than keeping this secret.
5. The ISC is currently hosted by the Cabinet Office for administrative convenience, but is operationally independent. The Committee sets its own agenda, and can call Ministers, the Heads of the intelligence Agencies, and other officials to give evidence. The Committee determines how and when it conducts its programme of work: this gives the Committee the freedom to pursue every avenue of inquiry to its satisfaction.
6. Proposals to reform the Committee are contained in the Justice and Security Bill which is currently before the House of Lords. The Intelligence and Security Committee will have a broader remit, greater powers and resources, and the ability to see more information – including operational detail where appropriate.
7. Copies of the Committee's Annual Report 2011-2012 (Cm 8403) can be purchased from TSO for £21.25. The Report can also be found on the ISC's website: <http://isc.independent.gov.uk/>
8. The Government's formal response to the Committee's report is expected to be published in the autumn.