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Foreword by the Prime Minister

Secret intelligence gives the Government a vital edge in tackling some of the most difficult problems we face. In combination with other, more readily available information, intelligence:

- forewarns us of threats to our national security;
- helps the Government promote international stability;
- provides support and protection to our forces;
- contributes to our economic health;
- strengthens our efforts against terrorism and serious crime.

This booklet explains what our intelligence and security Agencies do. It also contains details of the Cabinet Office contribution to the co-ordination of the intelligence effort.

The Agencies need to preserve the secrecy of much of what they do if they are to remain effective. But it is also essential that the Agencies are properly accountable. Ministerial responsibility and independent oversight of their work, as described in this booklet, make sure that this is the case.

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Intelligence and Security Agencies

The United Kingdom has three intelligence and security services, collectively known as the Agencies – the Secret Intelligence Service (SIS), Government Communications Headquarters (GCHQ) and the Security Service. The operations and functions of all three have been placed on a statutory basis; GCHQ and SIS by the Intelligence Services Act 1994, and the Security Service under the Security Service Acts 1989 and 1996.

Another important contributor to the UK's intelligence machinery is the Defence Intelligence Staff, which is an integral part of the Ministry of Defence.

Following is a brief summary of the history and functions of the Agencies and the Defence Intelligence Staff.

Funding

The funding for the three intelligence and security Agencies is brought together in the **Single Intelligence Vote** (SIV) which is voted by Parliament.

Secret Intelligence Service

The Secret Intelligence Service, sometimes known as MI6, originated in 1909 as the Foreign Section of the Secret Service Bureau under Sir Mansfield Cumming. The Foreign Section was responsible for gathering intelligence overseas. By 1922 Cumming's section had become a separate service with the title SIS. Cumming signed himself 'C'. His successors have done so ever since, using a custom which serves to emphasise the protection needed for the identities of the officers of an effective secret service.

The 1994 Intelligence Services Act placed SIS on a statutory basis. The Act gave the Foreign Secretary responsibility for the work of the SIS, defining the functions of the service and the responsibility of its Chief. The Act also established the control and oversight arrangements for SIS.

The principal role of SIS is the production of secret intelligence on issues concerning Britain's vital interests in the fields of security, defence, foreign and economic policies in accordance with requirements established by the Joint Intelligence Committee and approved by Ministers. SIS uses human and technical sources to meet these requirements, as well as liaison with a wide range of foreign intelligence and security services.

The present Chief of SIS, who took office in August 1999, is Richard Dearlove.

SIS is based at Vauxhall Cross in London.

GCHQ

The Government Communications Headquarters predecessor, the Government Code and Cipher School, dates back to 1919, but is best known for its work at Bletchley Park during the Second World War. It is there that Colossus, the World's first electronic computer, was built to decrypt German messages enciphered by the Enigma machine.

GCHQ, which was founded in 1946 and has been based in Cheltenham since 1952, is at the leading edge of communications technology. Its staff continue to make innovative advances in computing and engineering for the benefit of national security in the fields of both Signals Intelligence and Information Security.

Signals Intelligence, or Sigint, is derived from intercepting communications and other signals. Interception operations are run from sites in both the UK and overseas. GCHQ also works closely with a number of foreign intelligence and security services. The choice of what to intercept and report to Government Departments and Military Commands is, as for SIS, based on requirements established by the Joint Intelligence Committee and approved by Ministers.

The Communications Electronics Security Group (CESG) of GCHQ advises Government Departments and the Armed Forces on the security of their communications and information systems. It works closely with customers, industry and the Security Service to ensure that sensitive information in such systems is properly protected for the national good.

GCHQ operates under the 1994 Intelligence Services Act and is responsible to the Foreign Secretary for all aspects of its work.

The present Director of GCHQ, who took office in September 1998, is Francis Richards.

Further information about GCHQ can be found on its website:

<http://www.gchq.gov.uk>

Security Service

The Security Service, also known as MI5, originated in 1909 as the internal arm of the Secret Service Bureau, under Army Captain (later Sir) Vernon Kell, tasked with countering German espionage. In 1931 it assumed wider responsibility for assessing threats to national security which included international communist subversion and, subsequently, fascism. In 1952, in the early stages of the Cold War, the work of the Service and the responsibility of the Director General were defined in a Directive many of whose provisions were later incorporated in the Security Service Act 1989.

Today the Security Service Act forms the statutory basis for the Service, which is placed under the authority of the Home Secretary. The Act also sets out the functions of the service, as well as certain controls and oversight arrangements. As the UK's domestic security intelligence Agency, the Service's purpose is to protect against substantial, covertly organised threats, primarily from terrorism, espionage and the proliferation of weapons of mass destruction. Most recently, since the passing of the Security Service Act 1996, its role has been expanded to provide support to law enforcement agencies in fighting serious crime.

Within the UK intelligence machinery, the Service's role is:

- to investigate threats by gathering, analysing and assessing intelligence;
- to counter specific threats by taking action, where appropriate in conjunction with others; and
- to advise government and others as necessary on the nature of the threat, and on relevant protective security measures.

The Security Service has no executive powers; cases likely to result in prosecution are co-ordinated closely with the police, or HM Customs and Excise, who take the necessary action.

The present Director General of the Security Service is Stephen Lander, who took office in April 1996.

The Service is based at Thames House in London.

A separate booklet is available from TSO describing the work of the Security Service in more detail. Information about the Security Service can also be found on its website, <http://www.mi5.gov.uk>

Defence Intelligence Staff

The Defence Intelligence Staff (DIS), part of the Ministry of Defence (MOD) and funded within Defence Votes, is also an essential element of the national intelligence machinery. Created in 1964, by the amalgamation of all three service intelligence staffs and the civilian Joint Intelligence Bureau, it forms an integrated body able to support the Ministry of Defence, the Armed Forces and other Government Departments. The DIS's task is to analyse information, from both overt and covert sources, and provide intelligence assessments, advice and strategic warning to the Joint Intelligence Committee, the MOD, Military Commands and deployed forces. The DIS is also the 'owner' of three Defence Agencies, the Joint Air Reconnaissance Intelligence Centre (JARIC), Military Survey, and the Defence Intelligence and Security Centre (DISC), which are responsible for providing imagery, geographic products and intelligence training.

Vice Admiral Sir Alan West, who took up office in October 1997, is the current Chief of Defence Intelligence (CDI). In addition to his role as head of the DIS, CDI is responsible for the overall co-ordination of intelligence throughout the Armed Forces and single Service Commands.

The role of Ministers

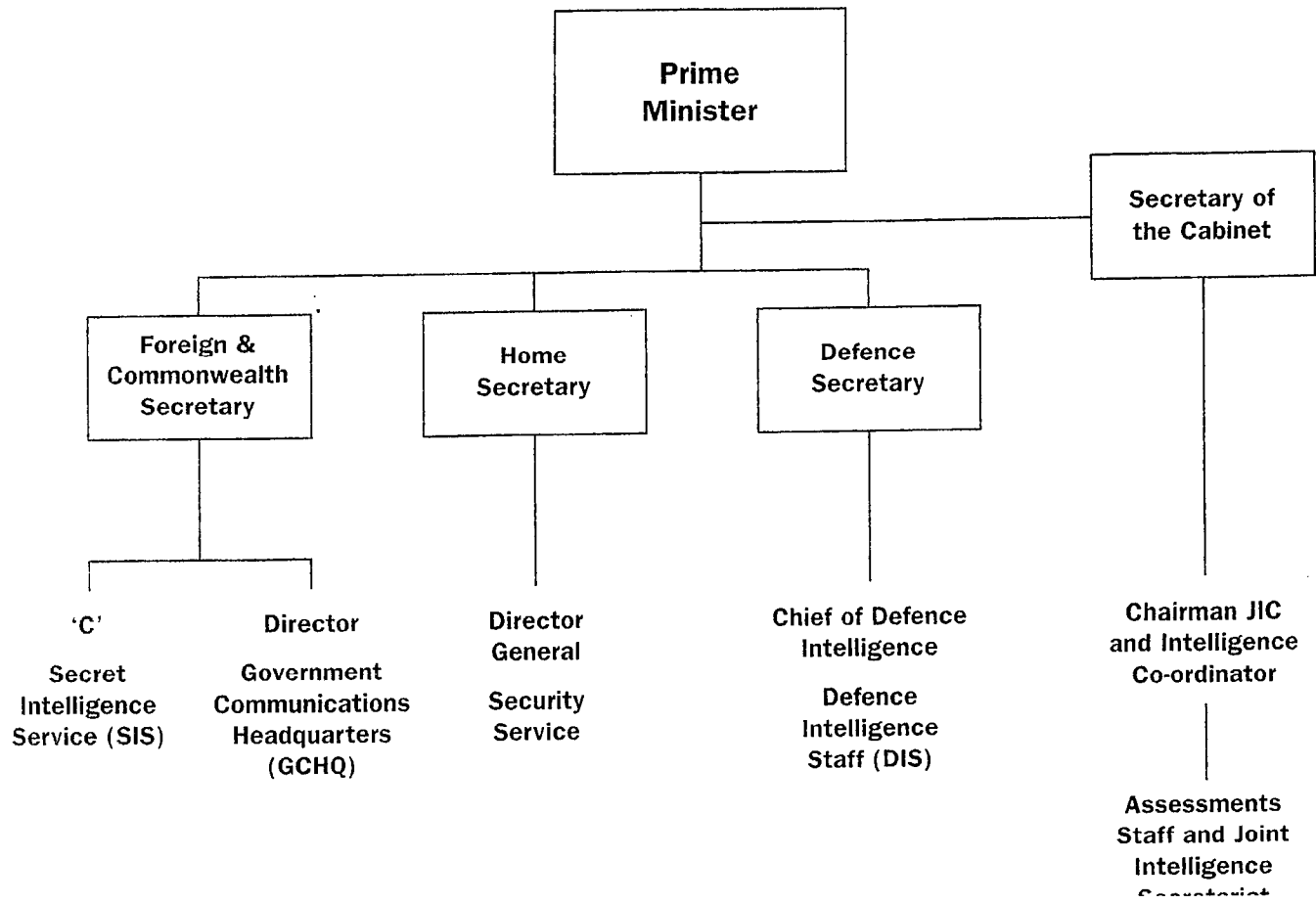
In their day-to-day operations the intelligence and security Agencies operate under the immediate control of their respective Heads who are personally responsible to Ministers. The lines of Ministerial responsibility are shown opposite.

The Prime Minister has overall responsibility for intelligence and security matters and is supported in that capacity by the Secretary of the Cabinet. The Home Secretary is responsible for the Security Service; the Foreign Secretary for SIS and GCHQ; and the Secretary of State for Defence for the DIS. There is also a **Ministerial Committee on the Intelligence Services** (CSI), whose Terms of Reference are:

“to keep under review policy on the security and intelligence services”.

The Prime Minister is its chairman and the other members are the Deputy Prime Minister, Home, Defence and Foreign Secretaries and the Chancellor of the Exchequer. Ministers are assisted in the oversight of the Agencies by the **Permanent Secretaries’ Committee on the Intelligence Services** (PSIS), chaired by the Cabinet Secretary, which provides advice periodically on intelligence collection requirements, and the Agencies’ programmes and expenditure, and on other issues related to intelligence.

Ministerial Responsibility



Central Intelligence Machinery

Intelligence collected by the three Agencies is either passed directly in the form of reports to customer departments in Government, where it assists decision-making, or it contributes, with other sources of information, to longer-term analysis. Intelligence reporting from the Agencies is also used to support field operations including by the Armed Forces and by the law enforcement agencies. Relationships between the Agencies and those who use their intelligence are close and as transparent as possible. The three Agencies also collaborate very closely with each other, combining forces, wherever appropriate, in operational work, in sharing elements of infrastructure and in producing reports.

These interlocking relations are further supplemented and underpinned by machinery at the centre of government, in the Cabinet Office, which brings an overall coherence to the tasking of the Agencies, to assessing their product and to determining their resource needs and performance.

The main instrument for advising on priorities for intelligence gathering and for assessing its results is the **Joint Intelligence Committee (JIC)**. It is a part of the Cabinet Office, under the authority of the Secretary of the Cabinet. It is responsible for providing Ministers and senior officials with regular intelligence assessments on a range of issues of immediate and long-term importance to national interests, primarily in the fields of security, defence and foreign affairs.

The JIC also brings together the Agencies and their main customer Departments and officials from the Cabinet Office, to establish and prioritise the UK's intelligence requirements which are then subject to Ministerial approval. Intelligence on terrorism, the proliferation of weapons of mass destruction, and any other threats to the UK or to the integrity of British territory overseas are examples of high-priority requirements. The JIC periodically scrutinises the performance of the Agencies in meeting these requirements.

The JIC's Terms of Reference are shown on page 19. It meets weekly, and its members are senior officials in the Foreign Office, the Ministry of Defence, the Department of Trade and Industry and the Treasury, the Heads of the three intelligence and security Agencies, the Intelligence Co-ordinator and the Chief of the Assessments Staff. Other Departments, including the Home Office, attend as necessary.

The **Chairman of the JIC**, a senior Cabinet Office official, is responsible for the broad supervision of the work of the JIC. He is specifically charged with ensuring that the Committee's warning and monitoring role is discharged effectively. He has direct access to the Prime Minister. The current Chairman of the JIC is Michael Pakenham, who is also the **Intelligence Co-ordinator**. The Intelligence Co-ordinator advises the Secretary of the Cabinet on the funding needs of the Agencies and their effective functioning. He assists the JIC in establishing intelligence requirements and advises the Secretary of the Cabinet on matters connected with the Intelligence and Security Committee (see page 23).

The JIC is supported by a permanent **Assessments Staff** and **Secretariat** as well as a number of specialist inter-departmental Sub-Committees; and by **Duty Intelligence Officers** who monitor developments out of working hours. The **Assessments Staff**, which is a mixture of senior and middle-ranking officers seconded from various departments, services and disciplines, is responsible for drafting the assessments of situations and issues of current concern. They take into account all sources of information including intelligence reports produced by the Agencies, diplomatic reporting and media reports. Depending on the issue, an assessment may or may not rely heavily on intelligence reports. In many cases intelligence sheds new light on obscure situations; in other cases it may be of value in confirming and reinforcing conclusions drawn from the media and diplomatic reports. These assessments are subject to inter-departmental scrutiny at the drafting stage in sub-committees of the JIC, known as **Current Intelligence Groups** (CIGs), which bring together experts from a range of Government Departments and Agencies. The text is then normally submitted to the JIC for approval before being circulated to Ministers and senior officials, though in cases of urgency (for example, during the crises in Iraq or the Balkans) immediate assessments are produced.

Like the intelligence and security Agencies, the JIC maintains its own liaison with analogous organisations in Allied countries. Such liaison arrangements allow access to information and analysis which might otherwise not be available. In the case of countries with whom we have military alliances or face a common threat, information is shared so that decisions can be taken on the basis of a common perception.

While the Security Service is able to contribute intelligence on a range of subjects of concern to the JIC, for example terrorism and proliferation, and plays a full part in JIC business, its priorities are directly determined by its statutory function to protect the nation against substantial covertly-organised threats. Its work is reviewed by a separate Cabinet Office Committee, known as the **Sub-Committee on Security Service Priorities and Performance** (SO(SSPP)).

Joint Intelligence Committee terms of reference

The Committee is charged with the following responsibilities:

- under the broad supervisory responsibility of the Permanent Secretaries' Committee on the Intelligence Services, to give direction to, and to keep under review, the organisation and working of British intelligence activity as a whole at home and overseas in order to ensure efficiency, economy and prompt adaptation to changing requirements;
- to submit, at agreed intervals, for approval by Ministers, statements of the requirements and priorities for intelligence gathering and other tasks to be conducted by the intelligence Agencies;
- to co-ordinate, as necessary, interdepartmental plans for activity;
- to monitor and give early warning of the development of direct or indirect foreign threats to British interests, whether political, military or economic;
- on the basis of available information, to assess events and situations relating to external affairs, defence, terrorism, major international criminal activity, scientific, technical and international economic matters;
- to keep under review threats to security at home and overseas and to deal with such security problems as may be referred to it;
- to maintain and supervise liaison with Commonwealth and foreign intelligence organisations as appropriate, and to consider the extent to which its product can be made available to them.

The Committee is to bring to the attention of Ministers and Departments, as appropriate, assessments that appear to require operational, planning or policy action. The Chairman is specifically charged with ensuring that the Committee's monitoring and warning role is discharged effectively.

The Committee may constitute such permanent and temporary sub-committees and working parties as may be required to fulfil its responsibilities.

The Committee will report to the Secretary of the Cabinet except that any special assessments required by the Chiefs of Staff shall be submitted directly to them in the first instance.

To maintain their effectiveness the intelligence and security Agencies must be able to operate in secret. However it is also important in a democratic society that there are effective safeguards and means of overseeing their work.

Intelligence and Security Committee

Parliamentary oversight of SIS, GCHQ and the Security Service is provided by the **Intelligence and Security Committee** (ISC), established by the Intelligence Services Act 1994. The Committee examines the expenditure, administration and policy of the three Agencies. It operates within the "ring of secrecy" and has wide access to the range of Agency activities and to highly classified information. Its cross-party membership of nine from both Houses is appointed by the Prime Minister after consultation with the Leader of the Opposition. The Committee is required to report annually to the Prime Minister on its work. These reports, after any deletions of sensitive material, are placed before Parliament by the Prime Minister. The Committee also provides ad hoc reports to the Prime Minister from time to time. The Chairman of the Intelligence and Security Committee is the Right Honourable Tom King CH MP. The Committee is supported by a Clerk and secretariat based in the Cabinet Office and has an investigator whom the ISC can deploy to pursue specific matters in greater detail.

Commissioners and Tribunals

The Agencies are also overseen by commissioners (the **Security Service Commissioner** and, for SIS and GCHQ, the **Intelligence Services Commissioner**) who must hold, or have held, high judicial office. Lord Justice Simon Brown currently holds the positions of both Security Service Commissioner and Intelligence Services Commissioner. He reviews the issue and authorisation, by the relevant Secretary of State, of warrants for operations by the Agencies which fall under his oversight, and also assists the **Tribunals** to investigate public complaints against the Agencies.

An **Interception Commissioner**, at present Lord Nolan, operates in a similar manner under the Interception of Communications Act 1985 reviewing the issue and authorisation of warrants to intercept mail and telecommunications by the intelligence and security Agencies and law enforcement organisations. The Commissioner also assists a **Tribunal** established to investigate public complaints about interception.

The Commissioners report annually to the Prime Minister on their work and their reports are in turn laid before Parliament.