

Intelligence and Security Committee of Parliament



PRESS NOTICE COVERING THE WORK OF THE COMMITTEE

The Rt Hon. the Lord Beamish, Chairman of the Intelligence and Security Committee of Parliament (ISC), has today provided the following press notice on behalf of the Committee:

"The Intelligence and Security Committee of Parliament is the only body which can scrutinise the work of the UK Intelligence Community, holding them to account on behalf of Parliament and on behalf of the British public. I, and the other Members of the Committee appointed in December last year, take that responsibility seriously.

While the new Committee has not yet had the opportunity to provide an Annual Report to Parliament, in the interests of transparency I am today providing a short public summary of the work which the previous Committee conducted before it was dissolved in May 2024.

Oversight crisis

The Committee in the last Parliament became greatly concerned that the vital scrutiny which the ISC provides was being undermined by continued interference by the Cabinet Office in the Committee's Office. Whilst this may appear an administrative matter, it does in fact go to the very heart of Parliament's ability to hold the Government to account for those actions being taken in secret, behind closed doors, funded by the public purse.

The root of the problem lies in the control exerted over the Committee's staff and resourcing by the Cabinet Office - despite the Committee overseeing substantive parts of the Cabinet Office. That, self-evidently, should not be the case. An oversight body should not sit within, and be beholden to, an organisation which it oversees.

As far back as 2013 the Government agreed that the Committee should move out of the Cabinet Office and that in the meantime appropriate safeguards would be put in place to ensure that those the Committee oversee had no ability to influence or control the Committee's staff. It is clear to the Committee that these safeguards have now been comprehensively dismantled. The Committee therefore determined prior to the Election that it would now move its Office out of the Cabinet Office, and wrote to the then Chancellor of the Duchy of Lancaster to inform him of the changes required.

The Committee also outlined the modest increase in staffing required to enable the Committee to keep fulfilling its statutory obligations. The Committee's resources have not increased since 2013 - meaning a real terms reduction - yet the UK Intelligence Community has grown at an extraordinary rate. The Committee is overseeing something that is of a fundamentally different order to that which existed in 2013: in simple terms there is now around £3 billion of public money being spent for which there is no oversight capability. This long-term, systemic issue has been compounded by recent practical issues to the point that if the Committee does not receive an increase in resourcing then it will not be able to

keep its doors open. Ministers agreed to this emergency uplift prior to the Election but, with the Election being called some weeks after, officials declined to implement it.

This Committee, upon appointment, wrote to the Chancellor of the Duchy of Lancaster - who holds the Committee's purse strings - to alert him to this outstanding requirement. We understand that he has recognised the potential implications for what are statutory obligations, and we now await the implementation of the uplift by the Cabinet Office.

This Committee has been reassured that the Prime Minister recognises the importance of the Committee's work. On my appointment as Chairman, the Prime Minister wrote immediately to me, inviting the Committee to meet him and those Ministers responsible for the organisations we oversee. This is a positive step: the Committee used to meet the Prime Minister annually but has not done so since 2014. I and the other Members trust that the Prime Minister will understand the gravity of the situation and will assist the Committee to move out of the Executive and onto an independent footing. The Committee will continue to provide updates on the situation to Parliament and to the public, given that the work we carry out is on their behalf.

Committee Meetings

Returning to the period between April 2023 and May 2024, the Committee held 23 full Committee meetings, including evidence sessions with the Foreign and Home Secretaries, senior officials from across the Intelligence Community, and external experts; conducted one visit to the Intelligence Community; held bilateral discussions with its counterparts from the United States (US) and Australia; and hosted Ministers and legislators from the US. Canada and New Zealand.

<u>Published Reports</u>

The Committee published its Report on the national security threat posed by China on 13 July 2023. This was the product of an extensive Inquiry, encompassing the nature of the threat from China broadly, as well as in relation to three specific areas: Academia, Industry and Technology, and Civil Nuclear energy. The Committee found that the UK is of significant interest to China when it comes to espionage and interference, and that China's state intelligence apparatus - almost certainly the largest in the world - targets the UK and its interests prolifically and aggressively. This presents a challenge for our Intelligence Community to counter. The problem is compounded by China's 'whole-of-state' approach and the fact that much of the impact which it has on the UK's national security is overt, through its economic might, its takeovers and mergers, and its interaction with Academia and Industry.

The Government assured the Committee that its response to this threat is "robust" and "clear-eyed". However, external experts told us that the Government had no strategy on China, let alone an effective one, and the Committee found that the level of resource dedicated to tackling the threat posed by China's 'whole-of-state' approach has been completely inadequate. The Committee specifically noted that, until recently, our Agencies did not even recognise that they had any responsibility for countering Chinese interference activity in the UK, instead focussing their efforts on China's 'covert' activity. Meanwhile,

responsibility for addressing the more overt aspects of the threat seems to rest with Whitehall policy departments, however there is no evidence that those departments have the necessary resources, expertise or knowledge of the threat to counter China's approach. The UK is instead playing catch-up and the whole of Government has its work cut out to understand and counter the threat from China.

On 14 September 2023, the Government published its Response to the China Report. The Rt Hon. Sir Julian Lewis MP, on behalf of the Committee, welcomed the Response but strongly refuted the implication in it that the ISC's findings were outdated. He noted that, until two months before publication, the ISC monitored all relevant developments and included them in the Report - not difficult to do given the glacial pace at which the Government's China policy developed.

The Committee also published a Report on 'International Partnerships' (5 December 2023). The Committee began this Inquiry in October 2019, however the Agencies' initial approach to it resulted in counterproductive and entirely unnecessary delays. Even after the Committee completed taking evidence, there was a lengthy delay by the Government – meaning that it took over two years to publish the Report.

The breadth of evidence taken by the Committee during that Inquiry reflects the reality of modern intelligence: that almost every aspect of intelligence work relies upon, or benefits from, international cooperation. Strong international partnerships act as a vital 'force multiplier', and the Committee fully supports the positive approach the Intelligence Community takes toward intelligence partnerships, seeking actively to develop them beyond the merely transactional. However, the potential pitfalls cannot be ignored. In many cases, the partners with whom the Agencies work operate under different legal and ethical constraints to the UK and may not necessarily share the UK's values - a fact to which the Intelligence Community has not always been sufficiently alert, as this Committee has previously reported. Nevertheless, from the evidence provided, it is clear that lessons have been learnt. There has been a significant improvement in processes and procedures, there is a far greater understanding of the issues that must be taken into account, and there is a genuine recognition of the broader impact of these relationships and the need for continued monitoring of their appropriateness.

The Committee also published its Annual Report for 2022-23 on 5 December 2023, summarising the work of the Committee from April 2022 to March 2023 - including the publication of two reports, and contributions to five pieces of legislation.

Legislative scrutiny

The Committee continued its scrutiny of national security legislation during this period, including the final parliamentary stages of the National Security Act 2023 (NSA). The Committee focused on three key areas: the Government's amendments to the Foreign Influence Registration Scheme; Parliament's proposed amendments to prevent foreign interference through electoral financing; and efforts to strengthen the independent oversight provisions.

As a result, the Bill was significantly improved, with a number of changes - including those proposed by Members of the ISC - adopted. It will provide the Intelligence Community and law enforcement with essential additional tools to tackle state threats and help make the UK a more challenging environment for those states which seek to conduct hostile activity. The Foreign Influence Registration Scheme in particular will be key: this Committee notes that this much-needed scheme is finally due to come into force on 1 July.

In relation to the independent oversight provisions, the Committee was pleased that the Government did finally propose its own amendment requiring the Prime Minister to consider, with the ISC, whether the ISC's Memorandum of Understanding should be updated if the NSA leads to the creation of new teams outside of the ISC's scrutiny. This should guarantee that the new national security regime being implemented under the NSA will not escape scrutiny by the ISC.

However, the amendment relates only to matters within the scope of the Act. It will not therefore remedy the wider problem referred to in the ISC's previous Annual Reports. The Committee's remit, as set out in its Memorandum of Understanding in 2014, remains significantly out of date and urgently needs to be updated to address the serious gaps in oversight that exists in relation to intelligence and security matters. The Committee trusts that the Prime Minister will understand the significance of this problem and work with the ISC to ensure that the Committee can - on behalf of Parliament and the wider British public - effectively scrutinise matters relating to intelligence and security.

The Committee also scrutinised and engaged closely with the Investigatory Powers (Amendment) Act 2024, introduced in Parliament in November 2023 - indeed, just as it had with the original Investigatory Powers Act 2016, itself a product of the ISC's 2015 Privacy and Security Report.

The Committee held multiple oral evidence sessions with the intelligence Agencies and Ministers to rigorously test the detail in the Bill introduced to Parliament and to ensure that the measures proposed - which bear on the expectations that individuals can have as to their privacy - were necessary and proportionate. As a result the Committee tabled a number of amendments throughout its passage. A significant number were addressed, chief amongst these those relating to the 'triple-lock' process. The changes secured included: defining and narrowing the 'exceptional circumstances' in which a Secretary of State may deputise for the Prime Minister to approve warrantry concerning the interception of communications sent by, or intended for, a Member of a Relevant Legislature; specifying that only five Secretaries of State - all of whom must "have the necessary operational awareness" - may deputise for the Prime Minister in this regard; and a commitment to include in the associated Codes of Practice a stipulation that the Prime Minister will be notified of any decisions made on their behalf under the new system.

The Committee also secured two key amendments around the new category authorisation regime for use of less sensitive Bulk Personal Datasets and those public authorities who can compel the disclosure of Communications Data from Telecommunications Operators.

Ongoing Inquiries

In terms of work being undertaken prior to the Election, the Committee had been continuing its Inquiry into the national security threat posed by Iran, and into Cloud Technologies. In accordance with its broader oversight function, the Committee also continued to monitor the expenditure, administration, policy and operations of the organisations it oversees through the Quarterly Reports and end of year information it receives from them. This information will be summarised in the Committee's next Annual Report, together with information for the 2023/24 financial year."

NOTES TO EDITORS

- 1. The Intelligence and Security Committee of Parliament (ISC) is a <u>statutory committee of Parliament</u>. (It is not a Select Committee.) It is a Committee of <u>both Houses</u>.
- 2. The Committee has the responsibility for oversight of the intelligence and security activities of the UK Government. Established by the Intelligence Services Act 1994, it was reformed, and its powers significantly reinforced, by the Justice and Security Act 2013.
- 3. The Committee oversees the policies, expenditure, administration and operations of the UK Intelligence Community. This includes the intelligence Agencies MI5, SIS (the Secret Intelligence Service or MI6) and the Government Communications Headquarters (GCHQ) as well as: the Joint Intelligence Organisation and the National Security Secretariat in the Cabinet Office; Defence Intelligence in the Ministry of Defence; Homeland Security Group in the Home Office; and the National Cyber Force.
- 4. The Committee consists of nine members drawn from both Houses of Parliament, and appointed by Parliament, with the Chair being elected by its Members. The Committee was reconstituted in December 2024, following the July 2024 General Election:

The Rt Hon. the Lord Beamish (Chairman)

The Rt Hon. Sir Jeremy Wright KC MP (Deputy Chairman)

Baroness Brown of Cambridge DBE FREng FRS

Peter Dowd MP

Richard Foord MP

The Rt Hon. Sir John Hayes CBE MP

Jessica Morden MP

Derek Twigg MP

Admiral The Rt Hon. Lord West of Spithead GCB DSC PC.

5. This statement reflects the work of the Committee which was dissolved on 30 May 2024:

The Rt Hon. Sir Julian Lewis MP (Chairman)

The Rt Hon. Kevan Jones MP (now The Rt Hon. the Lord Beamish)

The Rt Hon. Sir John Hayes CBE MP

The Rt Hon. Owen Thompson MP

The Rt Hon. Sir Jeremy Wright KC MP

Dame Angela Eagle MP

Colonel The Rt Hon. Bob Stewart DSO MP

Admiral The Rt Hon. Lord West of Spithead GCB DSC PC

The Rt Hon. Theresa Villiers MP.

- 6. The previous Chairman has spoken about the oversight crisis referred to in the statement in Parliament and further detail can be found in Hansard:
 - House of Commons Business Questions, 23 May 2024.
 - King's Speech Debate, House of Commons, 17 July 2024.
 - September Recess Adjournment Debate, House of Commons, 12 September 2024.
 - Second Reading of the Commonwealth Parliamentary Association and International Committee of the Red Cross Bill (House of Commons), 22 October 2024.

- Report Stage of the Commonwealth Parliamentary Association and International Committee of the Red Cross Bill (House of Commons), 18 December 2024.
- 7. The Members of the Committee are subject to Section 1(1)(b) of the Official Secrets Act 1989 and are routinely given access to highly classified material in carrying out their duties.
- 8. The Committee sets its own agenda and work programme. It takes evidence from Government Ministers, the Heads of the intelligence and security Agencies, officials from across the UK Intelligence Community, and other witnesses as required. The Committee makes an Annual Report on the discharge of its functions and also produces Reports on specific issues.
- 9. The Committee's dedicated Press Officer can be reached at:

Katie.Armour@cabinetoffice.gov.uk or 07543 302826.