



Government Response to the
Intelligence and Security
Committee's Report into the
London Terrorist Attacks
on 7 July 2005

Presented to Parliament by the Prime Minister
by Command of Her Majesty

MAY 2006

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GOVERNMENT RESPONSE TO THE INTELLIGENCE AND SECURITY COMMITTEE'S REPORT INTO THE LONDON TERRORIST ATTACKS ON 7 JULY 2005

The Government is grateful for the comprehensive and carefully researched report that the Intelligence and Security Committee has produced, which draws on the Committee's access to a wide range of highly classified intelligence assessments. The report contains a number of conclusions and recommendations. These are reproduced below (in **bold**), followed immediately by the Government's response.

A. This Report sets out a number of conclusions and recommendations based on our work examining the intelligence and assessment prior to the July terrorist attacks in London. These points should not overshadow the essential and excellent work the security and intelligence Agencies have undertaken against the terrorist threat in the UK. We record that * terrorist plots in the UK have been thwarted by the intelligence and security Agencies since 11 September 2001, three of them since July 2005. Despite their successes disrupting these other plots, they did not manage to prevent the attacks that took place in London on 7 July 2005.**

The Government welcomes and endorses the Committee's praise for the vital contribution made by the security and intelligence Agencies in combating terrorist threats to the UK.

What was known prior to July?

B. It has become clear since the July attacks that Siddeque Khan was the subject of reporting of which the Security Service was aware prior to July 2005. However, his true identity was not revealed in this reporting and it was only after the 7 July attacks that the Security Service was able to identify Khan as the subject of the reports.

C. Prior to the 7 July attacks, the Security Service had come across Siddeque Khan and Shazad Tanweer on the peripheries of other surveillance and investigative operations. At that time their identities were unknown to the Security Service and there was no appreciation of their subsequent significance. As there were more pressing priorities at the time, including the need to disrupt known plans to attack the UK, it was decided not to investigate them further or seek to identify them. When resources became available, attempts were made to find out more about these two and other peripheral contacts, but these resources were soon diverted back to what were considered to be higher investigative priorities.

D. The chances of identifying attack planning and of preventing the 7 July attacks might have been greater had different investigative decisions been taken by the Security Service in 2003–2005. Nonetheless, we conclude that, in light of the other priority investigations being conducted and the limitations on Security Service resources, the decisions not to give greater investigative priority to these two individuals were understandable.

The Government welcomes the Committee's conclusion that the decisions made were understandable, in the light of other priority investigations and the limitations on Security Service resources. During the period 2003–2005 there was a substantial increase (over 300%) in the number of the Security Service's investigative targets and the Service had to concentrate its resources on those threats which were judged to present the greatest risk.

As the Committee's report recognises, many pieces of intelligence are received by the Agencies on a weekly basis on potential terrorist threats and intentions. Terrorists make great efforts to ensure that intelligence about their intentions is difficult to obtain and analyse. Intelligence is generally fragmentary, of varying reliability and difficult to interpret. Complex and challenging investigative judgements have to be made on the basis of often incomplete data. There is always a difficult balance to strike between investigating those known to be a current threat and working to discover other possible threats.

The threat level and alert state systems

E. We conclude that it was not unreasonable to reduce the country threat level to the UK in May 2005 from SEVERE GENERAL to SUBSTANTIAL on the basis of the intelligence available at the time. There was no specific intelligence of the 7 July plot nor of any other group with a current credible plot. SUBSTANTIAL continued to reflect a high level of threat. The reduction is unlikely to have altered the alertness of responders (including the emergency services) or to have affected the chances of preventing the 7 July attacks.

The Government welcomes the Committee's conclusion. The assessment of threat requires complex and finely balanced judgements across a wide range of different threats and sectors. As the Committee's Report explains, because SUBSTANTIAL is itself a high level of threat, there was no impact on the alert state or the actions of those, for example, operating transport systems.

F. However, we question the usefulness of a system in which changes can be made to threat levels with little or no practical effect. We recommend that the current Government review of threat levels and alert states develops a clearer and more useful system to allow users to determine their security responses.

G. In the new threat system, the limitations of intelligence coverage and the possibility of attack planning going on without detection should also be taken into account and made clearer. We recommend that these limits are reflected in a more standardised and formalised way within the threat level system and in all threat level reports (as far as the classification will allow). This will help avoid inappropriate reassurance about the level of threat in the absence of intelligence of a current plot. It will also ensure that security practitioners have all the relevant information at their disposal in making risk-based decisions and that they can decide how much weight to give to threat level assessments.

The Government agrees that a clearer delineation of threat level, including within it a more formal recognition of the limitations of our knowledge of terrorists' intentions at any one time, will significantly assist in the subsequent consideration of whether a change in the alert state, and therefore the security stance, is required.

The points made by the Committee are among those that have been considered in a Cabinet Office-led review of the system of threat levels and alert states, which was finalised after the Committee submitted their Report to the Prime Minister. The review recommends a simplification of the system, reducing the number of threat levels and alert states. It also recommends that the Joint Terrorism Analysis Centre (JTAC) and the central security authorities in Government departments streamline and better co-ordinate the threat level and alert state systems by adopting common terminology, introducing uniform systems of ranking and signalling increases in the threat level and the alert states.

H. We recommend a greater transparency of the threat level and alert state systems as a whole, and in particular that more thought is given to what is put in the public domain about the level of threat and required level of alert. After the July attacks there is an even greater need for members of the public to be better informed. We do not expect detailed JTAC reports or sectoral threat levels to be made available, but the Government should consider what messages about the general level of the threat or alert state could usefully be conveyed.

The Government agrees that greater transparency about the threat level and alert state system itself, and a managed process for communicating it to the public, will enhance its effectiveness and increase public confidence and vigilance. The review recommends a public communication campaign to explain the system and improved co-ordination of public messages on the threat to ensure consistency. However, some of these may be based on sensitive intelligence sources, which may restrict the information which can be given publicly.

I. There must be clarity of the various systems and levels, and a shared understanding of both design and purpose among users of the system. We expect this and our other concerns and recommendations noted above to be taken into consideration by the current Government review.

The Government agrees that it is important for practitioners to understand the system clearly in order to ensure consistency of response. The review recognises the need to make clear both to the public and to those engaged in working in the Critical National Infrastructure that our security response on the ground is risk-based and will change in relation to threat, vulnerability and impact, and will vary from one sector to another depending on the insight we have about terrorists' intentions and methods.

Assessing the threat

J. We note that the Joint Intelligence Committee (JIC) judged in March 2005 that suicide attacks would not become the norm in Europe. However, there were clearly already grounds for concern that some UK citizens might engage in suicide attacks, as the 'shoe bombers' and the bombers in Tel Aviv had done. We are concerned that this judgement could have had an impact on the alertness of the authorities to the kind of threat they were facing and their ability to respond.

As the Committee's Report makes clear, the possibility of suicide attacks in the UK had been flagged up by both the JIC and the JTAC well before July 2005 and had been factored in to counter-terrorist planning. For example, the police had developed a set of specific procedures designed to counter potential suicide bombers.

K. We remain concerned that across the whole of the counter-terrorism community the development of the home-grown threat and the radicalisation of British citizens were not fully understood or applied to strategic thinking. A common and better level of understanding of these things among all those closely involved in identifying and countering the threat against the UK, whether that be the Security Service, or the police, or other parts of Government, is critical in order to be able to counter the threat effectively and prevent attacks.

L. Lessons that have been learned about the potential diversity of those who can become radicalised and the extent to which they can become radicalised – including to the point of suicide – must be taken into account as new initiatives are taken forward.

The Government notes the Committee's concerns and agrees with the importance that it places on improving understanding of the radicalisation process. Extensive work to address this is already being carried out, including under the PREVENT strand of the Government's counter-terrorism strategy, CONTEST.

M. We recommend that an assessment of the level of visibility of the threat, and the limits of the intelligence on the threat, be more systematically included in the JIC ‘Assessments Base’ box and in JTAC papers. This will avoid the oversimplification of the UK threat picture and the potential for giving inappropriate reassurance about the threat. The issue of addressing the limitations of intelligence in intelligence assessments was one identified by the Butler Review – we are concerned that it has not yet been fully implemented.

The Government believes that the recommendation in the Butler Review which related to the limitations of intelligence has been fully implemented. A confidential guide, which describes the nature, collection, assessment, use and limitations of intelligence, has been circulated to readers of intelligence across Government. Assessments issued by the JIC, the Defence Intelligence Staff and – in the case of major, multi-source reports where the sourcing is not obvious – JTAC and Security Service reports all carry ‘Assessment Base’ boxes which highlight the extent or limitations of intelligence coverage on a particular issue.

Coverage, resources and co-operation

N. Whatever the outcome of the debate on the merging of police forces, we are concerned to ensure that standards on strategic and national issues – such as counter-terrorism – are improved and that policing is not removed from its local roots, thereby undermining attempts to improve knowledge at the local level. We will continue to monitor these developments.

The Government believes that the proposed restructuring of the police will strengthen capacity and resilience of local forces to tackle terrorism and serious and organised crime as well as other issues.

The Government is committed to the implementation of neighbourhood policing in all forces by April 2007, supported by an expansion of police community support officers from the current 6,300 to 16,000 (rising to 24,000 in 2008). With neighbourhood policing teams embedded in all areas, there will be increased resources for tackling local crime and also for gathering local intelligence to support the counter-terrorism effort.

O. More needs to be done to improve the way that the Security Service and Special Branches come together in a combined and coherent way to tackle the ‘home-grown’ threat. We welcome steps that are now being taken to achieve this although, given that the ‘home-grown’ threat had clearly already been recognised, we are concerned that more was not done sooner.

The police and the Security Service work closely to ensure a joined-up approach to counter-terrorist work. As the Committee recorded in its 2004–2005 Annual Report, the Security Service had already begun a programme of regional expansion and regional stations had been opened in several areas to work more closely with police forces. This programme was expanded and accelerated after July and will enable greater guidance and support to be given to force Special Branches and Special Branch Regional Intelligence Cells.

The Home Office has dedicated £30 million extra next year and £60 million in 2007/08 specifically to expand the capabilities of Special Branch and associated specialist counter-terrorism investigation functions in forces outside London.

P. The July attacks have acted as a catalyst for change within the intelligence and security Agencies. Recent actions – including the establishment of new stations at home and overseas – do, however, show that there had been room to do more, and to do it more quickly, than had been thought possible at the time.

Q. It could be argued (but it would be largely with hindsight) that better appreciation of the speed and scale with which the threat against the UK could develop might have led the Services to achieve a step change in capacity earlier despite the risks involved in rapid expansion. The story of what was known about the 7 July group prior to July indicates that if more resources had been in place sooner the chances of preventing the July attacks could have increased. Greater coverage in Pakistan, or more resources generally in the UK, might have alerted the Agencies to the intentions of the 7 July group.

As the Committee recognises, it has commented with the benefit of hindsight. Prior to the July 2005 attacks, SIS, the Security Service and GCHQ had all begun to implement plans to increase their (already considerable) efforts on counter-terrorist work, by reallocating some existing resources and bringing to bear additional resources provided in the 2004 Spending Review. As the Committee has observed, the events of July brought into sharper relief the difficulty of detecting individual terrorist cells and the speed with which they can develop their plans. This led the Agencies to increase the speed with which they were building up their capability. However, limitations on expansion are imposed by the speed with which staff and other resources can be developed and deployed.

British intelligence and security Agencies had worked closely with their Pakistani counterparts on matters of mutual counter-terrorism concern for some years prior to the July attacks, and they continue to do so.

R. If we seek greater assurance against the possibility of attacks, some increase in intrusive activity by the UK's intelligence and security Agencies is the inevitable consequence. Even then it seems highly unlikely that it will be possible to stop all attacks.

The Government notes the Committee's comments.

S. Inter-Agency collaboration and co-operation with others, including the police and intelligence services abroad, have developed well as a result of the universal appreciation that terrorism is a common threat, but continuing this improvement must be at the heart of future efforts. It is recognised that this is not just a domestic threat but part of international terrorism and in the longer term it is clear that the answer lies not just with the Agencies but in successfully countering the spread of the terrorist message in the UK and overseas.

The Government agrees that the threat from terrorism is not merely a domestic one, but an international one requiring an international response. Like the Committee, we believe that actions by the Agencies are only part of the response to the contemporary terrorist threat. This has been reflected in CONTEST, in particular through the PREVENT pillar, which seeks to address the motivational, facilitational and structural factors that contribute to radicalisation.

The Government reaffirmed on 28 March 2006, with the issue of the new FCO strategic priorities, that countering terrorism is a top priority for its efforts overseas. Recent activity aimed at countering radicalisation led by FCO working closely with the Home Office and other departments and agencies has included:

- the ‘Empowering voices of mainstream Islam’ roadshow, which involves large events where young British Muslims can encounter Muslim scholars tackling extremist misinterpretations of Islam;
- the ‘Muslims of Europe’ conference: bringing together key Western and Muslim-world Muslim thinkers and scholars, for a strong theological declaration rejecting extremism and terrorism, in Istanbul in June 2006;
- additional Arabic and Urdu media FCO spokespeople in the Islamic Media Team, increasing our ability to proactively engage with the Arabic media;
- developing contacts with high-profile, influential figures in the Muslim world; and
- an FCO foreign policy awareness and outreach programme, involving:
 - discussion fora in the UK to explain foreign policy and debate issues around extremism, with the participation of Ministers;
 - visits by British Muslim delegations to Muslim countries to encourage debate on Islam and communicate positive realities of British Muslims;
 - work on educational reform in Muslim countries, including in Pakistan and Bangladesh; and
 - diplomatic activity with key international partners and international organisations to reach agreement on the nature and dangers of radicalisation and frame common approaches to address it.

T. Until that point, however, and as the Agencies and police continue to seek ways to mitigate the impact of the message by preventing terrorist attacks, we think their efforts and successes in doing so are welcome. It is tragic that, despite their successes in disrupting other planned attacks, the attacks that took place in London on 7 July 2005 were not prevented. We believe that lessons have been learned.

The Government notes and concurs with the Committee's conclusion.