Intelligence and Security Committee

Report into the London Terrorist Attacks on 7 July 2005

Chairman:
The Rt. Hon. Paul Murphy, MP

Intelligence and Security Committee

Report into the London Terrorist Attacks on 7 July 2005

Chairman:

The Rt. Hon. Paul Murphy, MP

Presented to Parliament by the Prime Minister

by Command of Her Majesty

MAY 2006

INTELLIGENCE AND SECURITY COMMITTEE

70 Whitehall
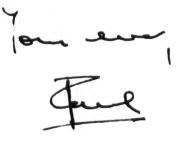London SW1A 2AS

ISC 105/2006　　　　　　　　　　　　　　　　　30 March 2006

Rt. Hon. Tony Blair, MP
Prime Minister
10 Downing Street
London SW1A 2AA

Dea Tony,

On 7 July 2006 fifty-two people were killed in the terrorist attacks in London. The Intelligence and Security Committee has examined the intelligence and security matters relevant to the attacks and I enclose with this letter a Report which covers our findings.

Investigations into the 7 and 21 July events continue, and therefore some information remains *sub judice*. As a result, and on the advice of the Law Officers in consultation with the Crown Prosecution Service, not all of the detail of which we are aware has been included. In laying the Report before Parliament you may wish to consult the Attorney General to assure yourself that the information it does contain will not prejudice current legal proceedings.

The Committee would be grateful if you could lay this Report before Parliament as soon as possible.

Yours ever,

PAUL MURPHY

INTELLIGENCE AND SECURITY COMMITTEE

The Rt. Hon. Paul Murphy, MP (Chairman)

The Rt. Hon. Michael Ancram QC, MP
  (from 26 January 2006)
The Rt. Hon. Alan Beith, MP
The Rt. Hon. George Howarth, MP
Mr Richard Ottaway, MP
Dari Taylor, MP

The Rt. Hon. James Arbuthnot, MP
  (until 25 January 2006)
Mr Ben Chapman, MP
The Rt. Hon. Michael Mates, MP
Baroness Ramsay of Cartvale

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 has developed its oversight remit, with the Government's agreement, to include examination of the work of the Joint Intelligence Committee (JIC); the Intelligence and Security Secretariat, which includes the Assessments Staff, in the Cabinet Office; and the Defence Intelligence Staff (DIS), part of the Ministry of Defence.

The Prime Minister, in consultation with the leaders of the two main opposition parties, appoints the ISC members. The Committee reports directly to the Prime Minister, and through him to Parliament, by the publication of the Committee's Reports. The members are notified under the Official Secrets Act 1989 and, as such, operate within 'the ring of secrecy'. The Committee sees significant amounts of classified material in carrying out its duties and it takes evidence from Cabinet Ministers and senior officials – all of which is used to formulate its reports.

When laying a report before Parliament, the Prime Minister, in consultation with the Committee, excludes any parts of the report (indicated by the *** in the text) that would be prejudicial to the continuing discharge of the functions of the three intelligence and security Agencies. This Report also includes some redactions that have been made on *sub judice* grounds or as a result of ongoing police investigations. These are indicated by the ★★★ in the text.

CONTENTS

SECTION 1:   INTRODUCTION

Fifty-two people were killed in the terrorist attacks in London on 7 July 2005 and several hundred were injured. We share the general horror and shock at this outrage and would like to take this opportunity to add our condolences to the families and friends of those killed, and sympathy to those injured, in these terrible attacks. We also extend our appreciation and gratitude to all those involved in the rescue and response effort.

The attacks

1.   On 7 July 2005 three explosions occurred at around 0850 on the London Underground system: the first on the Circle line between Aldgate and Liverpool Street, the next at Edgware Road station and the third on the Piccadilly line between Russell Square and King's Cross. At 0947 a fourth explosion occurred on the upper deck of a London bus in Tavistock Place. The bombers, who were also killed in what are known to have been suicide attacks, have been identified as: Mohammed Siddeque Khan, Hasib Hussein, Shazad Tanweer and Jermaine Lindsay. Investigations into these individuals and their associates are continuing.

2.   On 21 July 2005 between 1235 and 1305 three incidents occurred on underground trains at or near Warren Street, Oval and Shepherd's Bush stations and one other on the upper deck of a bus in Hackney Road. These incidents, and the individuals allegedly involved, also remain under investigation.

3.   On 11 July 2005 the Prime Minister made the following statement to Parliament on the 7 July bombings:

> *I would also like to say this about our police and intelligence services. I know of no intelligence specific enough to have allowed them to prevent last Thursday's attacks. By their very nature, people callous enough to kill completely innocent civilians in this way are hard to stop. But our services and police do a heroic job for our country day in day out and I can say that over the past years, as this particular type of new and awful terrorist threat has grown, they have done their utmost to keep this country and its people safe. As I saw again from the meeting of COBR[1] this morning, their determination to get those responsible is total.*

---

[1] *COBR is the term used within Government to refer to the high level crisis management meetings, usually chaired by the Prime Minister, that are called when incidents such as the July terrorist attacks occur. The acronym COBR stands for Cabinet Office Briefing Room.*

The Report

4.   On 13 July 2005 the Chairman of the Intelligence and Security Committee (ISC) wrote to the Prime Minister:

> *The Intelligence and Security Committee held its first meeting yesterday and has asked that I write to you. The Committee shares your revulsion at the murderous terrorist attacks last week and we commend the work undertaken by yourself, the emergency services and the Government to manage the situation… We fully endorse the current priorities to prevent further attacks and to catch the perpetrators… as part of our oversight work, we plan to examine and take evidence on the intelligence and security matters surrounding the terrorist attacks in due course.*

5.   Various police investigations into the 7 and 21 July events continue and some matters remain *sub judice*, particularly in relation to the latter incidents. For this reason the Report does not consider the events of 21 July 2005, focusing instead on the 7 July attacks. Even so, given that investigations into the 7 July group are continuing, the picture of what is known, particularly about what happened in the run-up to those attacks, continues to change. This Report relates what is known and has been assessed at this point in time. It is possible that more information will come to light after this Report is published that will change that picture.

6.   Our focus is the intelligence community and particularly the Security Service, the Secret Intelligence Service (SIS) and the Government Communications Headquarters (GCHQ). We have taken evidence from a number of witnesses including the heads of the security and intelligence Agencies. A detailed list is at Annex A. We have also examined a large number of Joint Intelligence Committee (JIC) and Joint Terrorism Analysis Centre (JTAC) intelligence assessments and other intelligence reports. In respect of their relationship with the Security Service, we have also taken evidence from members of the police and received information from the Head of the Transport Security Team (TRANSEC) in the Department for Transport. Given our remit, however, the Report does not seek to answer wider questions about the efficacy of the Government's counter-terrorist strategy and the adequacy or otherwise of the work being taken forward across a range of Government departments under this strategy. Nor do we seek to establish whether any of these wider policies (foreign and domestic) might have made a difference to preventing the July attacks.

7.   We note that a number of other bodies are covering issues relating to the 7 July attacks and that other reports will be published.[2] The Home Office is producing an 'Official Account' of events: this was not available to the Committee prior to agreeing the Report.

---

[2] *For example, a 7 July Review Committee was set up by the London Assembly in September 2005 to examine the lessons to be learned from the response to the London bombings. For more information visit www.london.gov.uk/assembly/scrutiny/7julyreview.jsp*

8.   **This Report sets out a number of conclusions and recommendations. These points should not overshadow the essential and excellent work the 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.**

9.   The Report refers in the main to 'Islamist terrorism'. This is the term used by the Security Service and the police to describe the current threat from individuals who claim a religious justification for terrorism, a claim which is rejected by most British Muslims, whose leaders point out that Islam is not a violent religion. Across the wider Government counter-terrorism community the threat is also referred to as 'international terrorism' or 'AQ-related' terrorism.

Aim and structure of the Report

10.   The Report examines intelligence and security matters relevant to the July terrorist attacks and focuses in particular on:

- whether any intelligence which may have helped prevent the attacks was missed or overlooked;

- why the threat level to the UK was lowered prior to the attacks and what impact this had; and

- what lessons were learned on the back of the attacks and how these are being applied, in particular:

   – what reassessments of the threat have been made; and
   – what is being done to increase coverage of the threat.

SECTION 2:   PRE-JULY CONTEXT

The Government's counter-terrorism strategy

11.   Since 2002, Government work to counter Islamist terrorism has taken place under the Government's counter-terrorism strategy, known as CONTEST. This strategy has brought together the work of all departments (including that of the intelligence and security Agencies) under one aim: "*to reduce the risk from international terrorism so that people can go about their business freely and with confidence*".

12.   The strategy divides work between that seeking to reduce the threat of an attack and that to reduce the UK's vulnerability to an attack. Reducing the threat includes workstreams to PREVENT terrorism by reducing the number of individuals inspired to support Islamist terrorism or become terrorists, and work to PURSUE terrorists and those who assist them in order to disrupt potential attacks. Reducing vulnerability involves workstreams to PROTECT potential targets (buildings, for example) in the UK and abroad and to PREPARE for the consequences of an attack through resilience and contingency planning. The overall work programme is referred to as the 'four P' framework.

How the intelligence and security Agencies contribute

13.   The Security Service, the SIS and GCHQ contribute to each of the four workstreams as follows:

- PREVENT – draws on Agency work on the causes of radicalisation for extremists and terrorists;

- PURSUE – involves Agency-led work on developing appropriate levels of capability to disrupt and bring to justice terrorist networks;

- PROTECT – encompasses the Agencies' work to provide protective security advice, from both physical and electronic attack; and

- PREPARE – includes Agency input to risk assessments that underpin the resilience and response capabilities being developed.

Counter-terrorist intelligence

14.   The acquisition of counter-terrorist intelligence by each of the three Agencies is critical to achieving success across each of these four strands and critical to the successful disruption of terrorist activity in the UK. The Security Service has primary responsibility under statute for the protection of national security against

threats, including terrorism. The SIS and GCHQ support the Security Service in this through the provision of intelligence from abroad. Intelligence on terrorist activity in the UK may come, for example, from communications between terrorists intercepted by GCHQ, from agents controlled by the SIS inside terrorist cells or networks overseas (connected back to the UK), from foreign liaison services,[3] from physical surveillance by the Security Service or the police of terrorist or extremist activity in the UK, or from agents run by them within those networks in the UK.

15.   Intelligence gathering in relation to CONTEST is driven through the JIC 'Requirements and Priorities' process. The JIC is the Committee of Agency heads and senior officials from Government departments responsible for providing Ministers and officials with intelligence assessments (known as JIC papers) on issues of national interest in the security, defence and foreign affairs fields. It is also responsible for the annual provision of a statement of the UK's Requirements and Priorities for secret intelligence collection, analysis and assessment. This statement sets out regional and thematic requirements under headings such as 'Islamist Terrorist Networks', 'Global Energy Markets and Security of Energy Supplies' and 'Weapons of Mass Destruction', which are then prioritised to reflect which issues are of greatest concern and which require the greatest intelligence effort. The system currently has seven bands of priority, with Band 1 being the highest and Band 7 the lowest (for which intelligence will be collected on an 'opportunity only' basis).

16.   JTAC is the body that pulls together all the available intelligence on the Islamist threat, analyses it and produces short-term assessments of the level of threat and longer-term assessments of terrorist networks, capabilities and trends. JTAC was established in June 2003 as part of the Government's response to the growing terrorist threat. It is the only 'single issue' assessment body within the intelligence community.

The nature and limitations of intelligence

17. In previous reports the Committee has commented on the nature and limitations of intelligence. Secret intelligence is information which has to be obtained covertly rather than from open sources or diplomatic reporting. Lord Butler's *Review of Intelligence on Weapons of Mass Destruction* stated that:

> *The most important limitation on intelligence is its incompleteness. Much ingenuity and effort is spent on making secret information difficult to acquire and hard to analyse… it is often, when first acquired, sporadic and patchy, and even after analysis may still be at best inferential.*[4]

---

[3] *Liaison services are foreign services which are in liaison with British intelligence and security services.*

[4] *HC 898, paragraph 49.*

18. In its 2003–2004 Annual Report this Committee noted that:

The Agencies cannot know everything about everyone, nor can they intercept and read every communication (which in any event would be a gross violation of human rights). There will always be gaps in the Agencies' knowledge.[5]

Any consideration of whether or not the July bombings could have been prevented must bear these factors in mind.

19. The Director General of the Security Service has said that intelligence rarely tells you all you want to know:

Often difficult decisions need to be made on the basis of intelligence which is fragmentary and difficult to interpret. In sum, some is gold, some dross and all of it requires validation, analysis and assessment. When it is gold it shines and illuminates, saves lives, protects nations and informs policy. When identified as dross it needs to be rejected: that may take some confidence. At the end of the day it requires people of integrity not only to collect it but also to prioritise, sift, judge and use it.[6]

Security Service investigations

20. An investigation is the process by which intelligence collection resources and analysis are directed to develop these fragmentary pieces of information into a picture of activity, identity, intentions and location. The picture that emerges is rarely complete and the investigative process then involves seeking further information and analysis, to make the picture clearer.

21. The volume of intelligence received on terrorist activity can be overwhelming, and difficult decisions have to be made as to what priority to accord a particular piece of intelligence and whether that piece or another lead should be pursued in more depth.[7] Intensive 'round the clock' coverage of a single target can require up to *** Security Service surveillance staff out of a total of around *** surveillance staff, and around *** organisation staff. An intensive operation, for example into imminent attack planning, can consume almost half of the Security Service's operational and investigative resources. Intelligence officers therefore have to make difficult professional judgements as to where finite resources should be allocated and focus on those targets that appear to pose the most immediate threat to life.

---

[5] *Cm 6240, paragraph 19.*

[6] *Dame Eliza Manningham-Buller – Speech to the Dutch Security Service at the Ridderzaal, Binnenhof, The Hague, Netherlands, 1 September 2005. For further details see www.mi5.gov.uk*

[7] *For example, JTAC receives around 1,000 pieces of intelligence per week.*

22. In 2001, at around the time of 9/11, the Security Service knew of approximately 250 primary investigative targets in the UK.[8] By July 2004 this had risen to over 500, of which only about *** could be investigated, and only *** intensively. By July 2005 the number of primary investigative targets in the UK had risen to around 800, only about *** % of which the Service was able to cover. Even then the degree of coverage on the most essential subjects was far from complete.

23. In order to help prioritise investigative effort, assessments are made as to what category targets fall into. Prior to July these categories were 'Essential', 'Desirable' and 'Other':[9]

- **Essential** – an individual who is likely to be directly involved in, or have knowledge of, plans for terrorist activity, or an individual who may have knowledge of terrorist activity;

- **Desirable** – an individual who is associated with individuals who are directly involved in, or have knowledge of, plans for terrorist activity or who is raising money for terrorism or who is in jail and would be an essential target if at large; and

- **Other** – an individual who may be associated with individuals who are directly involved in, or have knowledge of, plans for terrorist activity.

24. The Security Service works in the UK with the police to develop its investigations leading to disruptions of plots, arrests and convictions. In making investigative decisions the Security Service recognises, partly because of the resources available, that it has to be selective and that it has to bear risks. Proportionality is also taken into account in the decision-making process: consideration is given to what degree of intrusion is proportionate on the basis of the available intelligence. Targets move between investigative tiers as new information of activities and intentions is received, and cases and priorities are regularly reviewed to ensure that resources are appropriately allocated.

The threat from Islamist terrorism prior to July

25. Prior to July 2005 UK interests had been targeted successfully by Islamist terrorists, most notably in November 2003 in the Al Qaida-associated car bomb attack on the British Consulate and HSBC in Istanbul. British citizens had also been the victims of Islamist terrorist attacks in the United States on 11 September 2001, Bali on 12 October 2002 and Madrid on 11 March 2004. The bombings on 7 July 2005 were the first successful Islamist terrorist attacks in the UK.

---

[8] *Relating to international terrorism.*

[9] *In the light of the July events these categories have since been changed (see paragraph 116).*

26.   Since 9/11 the Government and the intelligence and security Agencies have continued to warn of the high level of threat to the UK from Islamist terrorism. In a speech in his Sedgefield constituency on 5 March 2004, the Prime Minister warned of the continuing global threat from terrorism. He said:

It is monstrously premature to think the threat has passed. The risk remains in the balance here and abroad. These days decisions about it come thick and fast, and while they are not always of the same magnitude they are hardly trivial. Let me give you an example. A short while ago, during the war, we received specific intelligence warning of a major attack on Heathrow.[10]

27.   On 6 August 2004 the Home Secretary issued a statement on the terrorist threat to the UK in which he said:

I have made clear repeatedly that there is a continuing threat to the UK, which has remained high for some time. We are maintaining a state of readiness and taking every feasible precautionary measure to protect British citizens, both here and abroad, consistent with the level of threat.

The Prevention of Terrorism Bill was published in February 2005 as part of the Government's continuing efforts against the threat. It received Royal Assent in March 2005.[11]

28.   At around the same time the Security Service website warned:

*The most significant threat to the UK and to UK interests overseas comes from Al Qaida and associated networks. The threat to the UK remains **real** and **serious**.*

… We know that both British and foreign nationals belonging to Al Qaida cells and associated networks are currently present throughout the UK, that they are supporting the activities of terrorist groups, and that in some cases they are engaged in planning, or attempting to carry out, terrorist attacks.[12]

The limits of coverage of the threat

29.   The possibility that attacks could be being planned without detection by the Agencies had been acknowledged prior to July. The previous Metropolitan Police Commissioner (Lord Stevens) was widely reported to believe that it was not a matter of 'if' an attack would occur, but 'when'. In 2003, the Director General of the Security Service warned that:

---

[10] *www.number-10.gov.uk*

[11] *The Anti-terrorism, Crime and Security Act was also passed in 2001 following the 9/11 terrorist attacks in the US. On 12 October 2005, following the events of July 2005, the Terrorism Bill was introduced to Parliament.*

[12] *www.mi5.gov.uk*

… the nature of counter-terrorism is to get ahead of the game to stop, frustrate or otherwise prevent terrorist activity. That is the primary goal but the reality is that we can never stop all such attacks and no security intelligence organisation in the world could do so. An attack may get through our defences…[13]

30.   As attacks against the UK have been mounted and successfully disrupted in the period since 9/11, the intelligence community's understanding of the scale of the threat against the UK has advanced. The Chief of the Assessments Staff told the Committee:

I think the more we learned over this period of several years, the more we began to realise the limits of what we knew, and I think that remains the case.[14]

The fear of unidentified attack planning intensified following the attacks in Madrid in March 2004 as they showed that terrorist networks could engage in unseen operational activity despite even intensive investigative efforts. In June 2005 the JIC judged that Western states could not be confident of identifying preparations for attacks, and that there would probably be a successful attack of some sort in the UK in the next five years.

---

[13] *Dame Eliza Manningham-Buller – lecture at the City of London Police headquarters on 16 October 2003.*

[14] *Oral evidence – Tim Dowse, 13 December 2005.*

SECTION 3: THE 7 JULY ATTACKS: WAS ANY INTELLIGENCE MISSED OR OVERLOOKED?

31.   Against this background the Committee has taken detailed evidence on what was known about the attackers and the plans for an attack prior to 7 July 2005, with a view in particular to identifying whether anything was missed or overlooked by the Agencies which might have prevented the attacks. Not all of the detail of which we are aware can be included at this time for legal reasons.

32.   We have not sought to investigate in detail (though we set out some background below) who the group were, how they became radicalised, or how they planned and executed the attacks. This goes beyond our remit to cover the work of the intelligence and security Agencies and, in this context, what they knew about the 7 July group. We understand that these areas will be covered in more detail by the Home Office's 'Official Account', announced by the Home Secretary in December 2005.

Background

33.   The 7 July bombers have been identified as Mohammed Siddeque Khan (30), Hasib Hussein (18), Shazad Tanweer (22), and Jermaine Lindsay (19). All apart from Jermaine Lindsay were British nationals of Pakistani origin, born and brought up in the UK, and at the time of the bombings based in West Yorkshire. Lindsay was a British national of West Indian origin, born in Jamaica and based in Aylesbury prior to the attacks. He was a convert to Islam.

34.   On the day of the attacks the group assembled at Luton train station and travelled together to King's Cross from where they dispersed to conduct their near simultaneous explosions. The first three explosions took place at around 0850 but the fourth device was not detonated until over an hour later. The fourth bomber, Hasib Hussein, stopped to buy batteries before boarding the bus – it is possible that this indicates he had difficulty setting off his device.

35.   Post-incident forensic analysis has shown that the explosions were caused by home-made organic peroxide-based devices, packed into rucksacks. Organic peroxide explosive is dangerous to manufacture because of its instability but it does not require a great deal of expertise and can be made using readily available materials and domestic equipment. The devices were almost certainly detonated manually by the bombers themselves in intentional suicide attacks. Some small home-made devices were left in the car at Luton railway station although the reason for this is unclear. There is no apparent significance in the choice of 7 July as the date for the attacks and no indication that the G8 conference which was taking place at Gleneagles at the time was a factor.

Links and associates

36. Investigations since July have shown that the group was in contact with others involved in extremism in the UK, including a number of people who ✷✷✷. There is no intelligence to indicate that there was a fifth or further bombers.

37. Siddeque Khan is now known to have visited Pakistan in 2003 and to have spent several months there with Shazad Tanweer between November 2004 and February 2005. It has not yet been established who they met in Pakistan, but it is assessed as likely that they had some contact with Al Qaida figures.

38. The extent to which the 7 July attacks were externally planned, directed or controlled by contacts in Pakistan or elsewhere remains unclear. The Agencies believe that some form of operational training is likely to have taken place while Khan and Tanweer were in Pakistan. Contacts in the run-up to the attacks suggest they may have had advice or direction from individuals there. Claims in the media that a 'mastermind' left the UK the day before the attacks reflect one strand of an investigation that was subsequently discounted by the intelligence and security Agencies.

Attribution

39. Since the attacks various claims of responsibility have been made. Shortly afterwards a letter was posted on the internet claiming that the attacks were conducted by the 'Secret Organisation of al-Qaida in Europe'. This claim was not assessed to be credible by the Agencies. On 1 September 2005 a video message from Siddeque Khan was aired on Al Jazeera in which he said:

> *I and thousands like me are forsaking everything for what we believe. Our driving motivation doesn't come from tangible commodities that this world has to offer. Our religion is Islam – obedience to the one true God, Allah, and following the footsteps of the final prophet and messenger Muhammad… Your democratically elected governments continuously perpetuate atrocities against my people all over the world. And your support of them makes you directly responsible, just as I am directly responsible for protecting and avenging my Muslim brothers and sisters. Until we feel security, you will be our targets. And until you stop the bombing, gassing, imprisonment and torture of my people we will not stop this fight. We are at war and I am a soldier.*

40. The video message went on to praise Osama Bin Laden and Ayman al-Zawaheri as heroes, although no indication was given that the attacks had been directed by them. Ayman al-Zawaheri appeared on the same tape in a separate recording and praised the 'blessed battle' which had transferred to the 'enemy's land'. In a later videotaped message, aired on Al Jazeera on 19 September,

al-Zawaheri claimed responsibility for the attacks. We have been told by the Agencies that this claim is not supported by any firm evidence. The degree of Al Qaida involvement both in terms of support and control remains under investigation.

Identification

41. Documents recovered from the scenes of the attacks on 7 July gave an indication of the possible identities of the four men involved. Once these were confirmed, the Security Service and the other Agencies initiated reviews of their records to establish whether they had come across any of the individuals before 7 July, whether they had had any prior intelligence of the attacks, or whether the attacks made the meaning of any existing intelligence clearer.

Links between the 7 July and 21 July groups

42. Due to *sub judice* rules this Report does not cover the 21 July events in detail. We can, however, report that the Agencies currently have no evidence of direct links between the 7 July attacks and those involved and the incidents on 21 July.

What the intelligence and security Agencies knew of the attackers and the plans for attack prior to July

43. We have been told in evidence that none of the individuals involved in the 7 July group had been identified (that is, named and listed) as potential terrorist threats prior to July. We have also been told that there was no warning from intelligence (including foreign intelligence) of the plans to attack the London transport network on 7 July 2005.

Plans for an attack

44. There was much media speculation following the attacks and various claims were made that prior warning had been given. We have been assured by the Agencies that there was no prior warning of the attacks that took place from any source, including from foreign intelligence services. We have looked in detail into claims that the Saudi Arabian authorities warned the British Agencies about the attacks. We found that some information was passed to the Agencies about possible terrorist planning for an attack in the UK. It was examined by the Agencies who concluded that the plan was not credible. That information has been given to us: it is materially different from what actually occurred on 7 July and clearly not relevant to these attacks.

The attackers

45.   Having reviewed its records once details of the bombers came to light, the Security Service did find, however, that it had come across two members of the 7 July group before on the peripheries of other investigations. These were Siddeque Khan and Shazad Tanweer. GCHQ and SIS had not come across any members of the group.

46.   In the comprehensive review of intelligence records that it conducted, the Security Service found that it had on record a telephone number which it was only possible to identify after the attacks as belonging to Jermaine Lindsay. They also had on record a telephone number registered to a 'Siddeque Khan' and details of contacts between that number and an individual who had been under Security Service investigation in 2003. A review of related surveillance data showed that Siddeque Khan and Shazad Tanweer had been among a group of men who had held meetings with others under Security Service investigation in 2004.

47.   We asked the Security Service whether, having looked back at the intelligence that existed, more attention should have been paid to Siddeque Khan and Shazad Tanweer at the time, or whether there were any clues about their future intentions to conduct terrorist attacks. In relation to the contacts in 2003, the Security Service said it was apparent that meetings were being planned but that there was no information as to the purpose of the proposed meetings. There was (and still is) no evidence that they were connected to planning terrorist acts. The individual under investigation was not himself an 'Essential' target and there was no reason for his contacts, which we now know to have been with Siddeque Khan, to have been identified as exceptional or worthy of further investigation above other priorities.

48.   As for the meetings in 2004, we found that they were covered by the Security Service as part of an important and substantial ongoing investigation. Siddeque Khan and Shazad Tanweer were among a number of unidentified men at the meetings. The Security Service did not seek to investigate or identify them at the time although we have been told that it would probably have been possible to do so had the decision been taken. The judgement was made (correctly with hindsight) that they were peripheral to the main investigation and there was no intelligence to suggest they were interested in planning an attack against the UK. Intelligence at the time suggested that their focus was training and insurgency operations in Pakistan and schemes to defraud financial institutions. As such, there was no reason to divert resources away from other higher priorities, which included investigations into attack planning against the UK.

49.   Once resources became available, an investigation was launched by the Security Service into over *** unidentified contacts who had come to light on the periphery

of the earlier (2004) investigation. This included, among others, the unidentified men who we now know to have been Siddeque Khan and Shazad Tanweer. However, resources were soon diverted again to higher priorities. Further attempts were made to return to the men involved in the meetings in 2004 as resources became available. Some of them were subsequently identified and categorised as 'Essential', 'Desirable' or 'Other' targets and more intensive investigations were conducted. Only limited additional attempts were made to identify the men we now know to have been Siddeque Khan and Shazad Tanweer, and to find out more about their activities. They were not categorised as investigative targets because, on the basis of the available intelligence, there was no reason to suggest they should be investigated above other more pressing priorities at the time.

Detainee reporting

50. It has become clear since 7 July that Siddeque Khan was also referred to in reporting by detainees (from outside the UK) in early 2004. This reporting referred to men from the UK known only by pseudonyms who had travelled to Pakistan in 2003 and sought meetings with Al Qaida figures. The Security Service sought at the time to establish the true identities of the men but without success. In the aftermath of the 7 July attacks, Siddeque Khan was identified by one of the detainees (having seen a press photograph) as one of the men referred to in the detainee reporting. It is now known that Siddeque Khan travelled to Pakistan in 2003 and spent time there with Shazad Tanweer from November 2004 to February 2005.

51. We have been told that as part of the investigation into the unidentified men at the meetings mentioned earlier (paragraph 49) photographs were circulated to some foreign intelligence services and foreign detaining authorities in an attempt to see if anything more about the individuals was known. A photograph of Siddeque Khan was shown to one of the detainees who had provided the earlier information, but without positive result.

52. As far as the Security Service is able to tell from records to date, this photograph was not sent or shown to the detainee who later identified Siddeque Khan. Had it been, and had the detainee been able to identify Khan as one of the subjects of the earlier report, it is possible that the Security Service might have allocated more effort to identifying and investigating him prior to July. While this was a missed opportunity, there is no guarantee that the detainee would have identified him from the photograph, particularly given its very poor quality. There is also no guarantee that had the detainee identified him significantly greater resources would have been put into pursuing him, particularly given the other investigative priorities around at that time, which included the disruption of known plots to attack the UK.

Source report

53.   A report from another source has also recently come to light. This report was passed to the Security Service in February 2005. It stated that a man named '***' had travelled to Afghanistan in the late 1990s/early 2000s with another man named 'Imran' and that both held extremist views. The Security Service and police undertook some further investigation into the two men at the time, without significant result. After the 7 July attacks the source identified '***' as Siddeque Khan.

Summary and conclusion

54.   **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.**

55.   It is also clear that, **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.**

56.   It is possible that **the chances of identifying attack planning and of preventing the 7 July attacks might have been greater had different investigative decisions been taken 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.**

57.   In reaching this conclusion we have been struck by the sheer scale of the problem that our intelligence and security Agencies face and their comparatively small capacity to cover it. The Agencies had to reassess their capacity to cope as a result of the July attacks – an issue that we will consider in more detail in Sections 5 and 6.

SECTION 4:   LOWERING THE THREAT LEVEL

58.   In May 2005, prior to the attacks in London, JTAC took the decision to reduce the UK threat level from SEVERE GENERAL to SUBSTANTIAL. The Committee has considered why the threat level was reduced, whether the reduction was justified, and what impact it had. We have also considered the relationship between threat levels, which are secret, and alert states, which are more widely known and have a more direct impact on security measures.

Background to the threat level system

59.   As set out in Section 2, JTAC is the body that brings together intelligence on the threat from international terrorism, analyses it and produces threat assessments. One of its key functions is the generation of threat levels. These operate in two areas:

● the country threat level, which tries to quantify the threat to the UK as a whole; and

● the threat level to different sectors within the UK, notably the Critical National Infrastructure (CNI) sectors, which include the land transport, aviation and maritime sectors.[15]

These judgements are made on the basis of the current available intelligence, and are intended to change to reflect what is known from intelligence about terrorist activity and intentions at a particular time.

60.   UK threat levels are issued as part of a detailed report on current groups and activity which is circulated to practitioners across Government and the CNI. These reports are used to inform decisions about alert states which determine the levels of security to be adopted in these sectors. Because threat level reports include details of terrorist groups, activities and intelligence sources, they are highly classified and circulated on a limited basis. Summaries of the report are produced with a far lower classification (RESTRICTED) – these contain fewer details and can therefore be more widely circulated.[16]

61.   The current threat level system was introduced on 4 June 2003. In its report into the Bali bombings in December 2002 this Committee had recommended that the previous system be changed to make it more useful to user departments.[17] The Government conducted a comprehensive review and the current system, with seven

---

[15] *CNI is a term used within Government to describe the key sectors and services that support the economic, political and social life of the UK, the loss of which could be critical to the public and/or the Government.*

[16] *RESTRICTED is the lowest level of security classification for a document.*

[17] *Cm 5724* – Inquiry into Intelligence, Assessments and Advice prior to the Terrorist Bombings on Bali 12 October 2002.

levels of threat for the country and sectors, was introduced in 2003. The main change from the old to the new system was the introduction of a more detailed assessment of the threat at the higher end – the four levels from SUBSTANTIAL to CRITICAL all reflect a significant threat.

Threat level definitions

62. The seven threat levels and their definitions are as follows:

- NEGLIGIBLE (Level 6) – available intelligence and recent events indicate that terrorists currently have no capability and/or no intent to mount an attack on the target.[18] It is assessed that an attack is very unlikely to be mounted.

- LOW (Level 5) – available intelligence and recent events indicate that terrorists currently have little capability and/or intent to mount an attack on the target. It is assessed that, although it cannot be ruled out, an attack is unlikely to be mounted.

- MODERATE (Level 4) – available intelligence and recent events indicate that terrorists have some capability to mount an attack on the target and such an attack would be consistent with the group's general intent; or that they have the capability but their intent is qualified by current circumstances. It is assessed that an attack is possible.

- SUBSTANTIAL (Level 3) – available intelligence and recent events indicate that terrorists have the capability to mount an attack on the target and that such an attack is within the group's current intent. It is assessed that an attack is likely to be a priority for the terrorists and might well be mounted.

- SEVERE (GENERAL) (Level 2(G)) – available intelligence and recent events indicate that terrorists have an established capability and current intent to mount an attack on the target or targets of this nature. It is assessed that an attack is a priority for the terrorists and is likely to be mounted.

- SEVERE (DEFINED) (Level 2(D)) – available intelligence and recent events indicate that terrorists have an established capability and current intent to mount an attack on the target and there is some additional information on the nature of the threat. It is assessed that an attack on the target is a priority for the terrorists and is likely to be mounted.

---

[18] *The target in this context being the UK.*

- CRITICAL (Level 1) – available intelligence and recent events indicate that terrorists with an established capability are actively planning to attack the target within a matter of days (up to two weeks). An attack is expected imminently.

Alert states

63.   Alongside the threat level system there are separate alert state systems that operate across some parts of the CNI, including transport. It is the alert state not the threat level that determines the level of protective security to be adopted in a particular site or sector to protect against a potential threat. Decisions on alert states are informed by JTAC threat assessments and threat levels but also take into account the vulnerability of specific sites or locations to an attack and the potential damage that an attack may cause.

64.   Alert states are set by the relevant lead Government department. For the transport sector, guidance on alert states and security measures is provided by the Transport Security Team within the Department for Transport (TRANSEC), which is responsible for ensuring the security of the travelling public and those employed within the transport sector.[19]

65.   A number of different alert state systems operate across the CNI. There is no one set system. For the Government Estate, for example, the following alert levels are used: BLACK, BLACK SPECIAL, AMBER and RED. These reflect assessments of the level of threat (on an increasing scale) to Government departments and buildings from terrorism. BLACK indicates that there is a possibility of terrorist activity with no defined target or time of attack. RED indicates that specific information of a specific threat has been received and an attack is expected imminently against a particular target or site. Security measures are escalated according to which alert state is in place and staff are kept informed of the current alert state via notices and announcements.

The country threat level before May 2005

66.   In November 2003 the country threat level was raised to SEVERE GENERAL on the basis of credible intelligence that an attack was being planned against the UK. The plot was successfully disrupted and those involved (UK-based Al Qaida terrorists) were subsequently arrested. SEVERE GENERAL was maintained throughout 2004 as intelligence of other plots emerged.

67.   By November 2004 JTAC noted that there was no intelligence of a current credible plot against the UK. However, a number of investigations were at an early

---

[19] *Further information about TRANSEC can be found at www.dft.gov.uk*

stage and JTAC judged that some of the individuals involved were 'likely' to be engaged in operational planning. For this reason the country threat level was kept at SEVERE GENERAL. At the next quarterly review in February 2005 JTAC remained of the opinion that among the large range of known extremist networks in the UK operational planning was 'likely' to be underway and therefore the country threat level remained at SEVERE GENERAL.

Why the country threat level was reduced in May 2005 and whether the reduction was justified

68.   The Committee has considered in detail the JTAC report of 26 May 2005 which reduced the country threat level from SEVERE GENERAL to SUBSTANTIAL. The Committee has also taken evidence from the Head of JTAC, the Director General of the Security Service and the Home Secretary on this issue.

69.   The main reason given in the JTAC report for the reduction in the UK threat level was that there was no intelligence of a current credible plot to attack the UK at that time (i.e. a group with established capability and current intent). The report noted that the threat level had been maintained since August 2004 on the back of concerns, arising from intelligence and investigations, that attack planning 'might' be going on. At this time, however, there was no firm intelligence of attack planning. By May 2005 the investigative leads that had previously been a cause for concern had been followed up and discounted. JTAC concluded that the SEVERE GENERAL threat level could not be maintained in the absence of any suggestion (from credible intelligence or current investigations) of possible attack planning. According to the Director General of the Security Service there was also a belief, "*it turned out wrongly*", that terrorist capability had been dented by the disruptions in 2004.[20] The threat level was accordingly reduced to SUBSTANTIAL. In the accompanying report JTAC noted that SUBSTANTIAL continued to represent a high level of threat, and that it was possible that there was current UK attack planning of which it was unaware. The report explicitly warned that an attack 'might well be mounted' without warning.

70.   **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**, perhaps still higher than the available intelligence warranted at the time according to the threat level definitions.[21]

---

[20] *Oral evidence – Dame Eliza Manningham-Buller, 25 October 2005.*

[21] *SUBSTANTIAL is defined as: 'Available intelligence and recent events indicate that terrorists have the capability to mount an attack on the target and that such an attack is within the group's current intent.' However, there was no intelligence of such a group in May. The May JTAC report stated: 'We judge at present there is not a group with both the current intent and the capability to attack the UK.' Nonetheless, the amount of continued and worrying activity, although it did not indicate current attack planning, was felt serious enough for a high level of threat to be maintained.*

The impact of the reduction in the country threat level

71.   As mentioned previously, there is both a country threat level and sectoral threat levels. These inform decisions that are taken on alert states, which in turn affect the security measures that are adopted across the CNI. We have been told that neither the sectoral threat levels nor the alert states changed in May 2005 when the country threat level was reduced.

72.   We made enquiries of the Director of TRANSEC and the Metropolitan Police Service on this matter. The Director of TRANSEC told the Committee that its advice to transport industries on security measures is based on the sectoral threat level (and the accompanying analysis), not the country threat level. The sectoral threat levels for the land transport sector – which includes the London Underground – remained at SUBSTANTIAL in May 2005, as they had been for some time. There was therefore no change to TRANSEC's guidance on the alert states or security practices to be applied across the transport industries. According to TRANSEC's Director, the transport industries were not even advised of the change to the country threat level.

73.   We asked the Metropolitan Police Service whether the reduction in the country threat level caused a reduction in their alert state or a lowering in their alertness to the possibility of an attack. We were told that SUBSTANTIAL indicated a continued high level of threat and that an attack might well be mounted without warning. Consequently, the alteration in the country threat level "*did not materially effect*"[22] the counter-terrorism tasking and deployment within the Metropolitan Police Service. We have also been told that the same was true for the wider UK police and Special Branches.

74.   Given what we were told by witnesses, the fact that the country threat level after reduction was still very high, and the fact that the reduction did not alter sectoral threat levels which determine alert states and security responses, the Committee accepts that **lowering the country (UK) threat level in May 2005 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.**

Problems with the threat level and alert state systems

75.   The Committee does have concerns, however, that the threat level and alert state systems are confusing to both the public and practitioners. We are aware that concerns were also raised within Government about these systems in the aftermath of the July attacks and that the Government is currently conducting a review of alert

---

[22] *Letter – Andy Hayman, Assistant Commissioner, Metropolitan Police Service, to Rt. Hon. Paul Murphy, MP, 23 February 2006.*

and threat level apparatus. We note below some of our concerns which we expect to feed into that review.

The usefulness of the threat level system

76. **We question the usefulness of a system in which changes can be made to threat levels with little or no practical effect.** We are aware that users were in favour of the more detailed breakdown of the most serious threats which was introduced in 2003 and believe that there may be a continued need for this detail, particularly at the sectoral level. However, **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.** We are aware that the Transport Select Committee is also conducting an inquiry which we understand will go into the usefulness of the current threat and alert systems to transport sectors in more detail.[23] We look forward to learning its conclusions.

Taking account of the limitations of what is known from intelligence

77. Given the lack of prior knowledge of the plot to attack on 7 July, the Committee was concerned that this lack of intelligence should be factored into the threat and alert systems. The Home Secretary said:

> *… to create a structure which stimulates certain forms of action on the basis of intelligence we do not have is a very, very difficult thing to do… it is better to use the intelligence we do have to inform our judgements insofar as we can.*[24]

78. Practitioners have to take and justify difficult risk-based decisions about security measures and the use of resources on the back of threat assessments. It is arguable that a system which reflects only the 'worst case' threat scenario because of fears of the unknown would be of little use to them. Under the current system, threat levels represent a best estimate of what is happening on the back of all the available material – including intelligence reporting and current investigations.

79. Nonetheless, if risk-based decisions about the alert states and security levels to be adopted across the CNI are to take into account all relevant considerations, then the limitations of intelligence coverage, and the possibility of attack planning going on without detection, must be made clear.

80. JTAC's concerns about the limits of intelligence coverage were repeated in the body of JTAC reports prior to July, including that of 16 May 2005. **We recommend, however, that consideration be given to how to reflect the limits of intelligence in a more standardised and formalised way within the threat level system and in threat level**

---

[23] Travelling without Fear – *for more information visit www.parliament.uk*

[24] *Oral evidence – Charles Clarke, 19 October 2005.*

reports (including in RESTRICTED summaries 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.

Communicating threat level and alert state messages to the public

81.   An additional problem highlighted to the Committee by the Home Secretary and the Director General of the Security Service is the fact that threat levels and threat level reports, which are produced for the consumption of informed practitioners, often leak and can then be misinterpreted by those who do not understand the context or the language in which they are written. This is further confused by the lack of understanding of the role of the threat level and alert state systems.

82.   The May 2005 JTAC report was leaked to the *New York Times*, leading to media speculation that only weeks before the July attacks the UK intelligence and security Agencies had assessed that there was no danger of an attack in the UK. The following line from the RESTRICTED summary was focused on: "*We judge that at present there is not a group with both the current intent and the capability to attack the UK.*" However, the summary's caution to readers that "*SUBSTANTIAL indicates a continued high level of threat and that an attack might well be mounted without warning*" was not widely covered. The JTAC report explained that intelligence continued to show activity in the UK which was of concern and noted that these networks could very quickly evolve from support to operational activity. The full text of the RESTRICTED summary is set out below:[25]

> *The UK threat picture is not currently dominated by one particular network or threat. The threat from Al Qaida (AQ) leadership directed plots has not gone away and events in Iraq are continuing to act as motivation and a focus of a range of terrorist related activity in the UK. However, many of our current concerns focus on the wide range and large number of extremist networks and individuals in the UK and individuals and groups that are inspired by but only loosely affiliated to AQ or are entirely autonomous. Some of these have the potential to plan UK attacks and it is also possible that lone extremists or small groups could attempt lower-level attacks.*
>
> *Whilst there remain many areas of concern, we judge that at present there is not a group with both the current intent AND the capability to attack the UK. **We are therefore reducing the overall threat level for the UK to SUBSTANTIAL (Level 3)**. Readers are reminded that SUBSTANTIAL indicates a continued high level of threat and that an attack **might well be mounted without warning**.[26]*

---

[25] *We have been allowed to quote RESTRICTED material here exceptionally.*

[26] *Bold text as in original document.*

83. Having examined the threat level report from May 2005 we conclude that neither the full report nor the RESTRICTED summary suggested an absence of danger prior to July, but rather the absence of any intelligence of a specific and current plot likely to be brought to fruition in the short term.

84. The Committee is concerned, however, at the extent to which reports on the threat level leak, given that they are generally highly classified documents. Due to the lack of transparency of the threat level and alert state systems, they are easily confused and misunderstood. We have seen that lowering the threat level does not necessarily lead to a lower state of alert, but because the role of the threat levels and how they feed into alert states is not commonly known, it is unsurprising that many believed that the reduction in the country threat level in May 2005 meant a drop in alertness.

85. **We therefore 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.**

Confusion in the system

86. We are also concerned that the threat level system and alert state systems are confusing not only to the public but also, more worryingly, to practitioners themselves. In evidence to the Committee, the Director General of the Security Service said it had become clear as a result of July that the varying different alert state schemes were a cause for confusion among officials, Ministers and parts of the CNI. Crucial decisions are taken on the back of these systems – there is little point in producing detailed assessments if those for whom they are intended do not understand the system behind them. **There must be clarity of the various systems and levels, and a shared understanding of both design and purpose among users of the system.**

87. These issues are currently being examined as part of the Government review into threat and alert state systems and consideration is being given to what improvements can be made – particularly to whether more coherence can be brought to the varying alert arrangements that exist. We are aware that a number of the concerns that we have raised are likely to be addressed by the Government review currently underway, led by the Cabinet Office. **We expect this review to take into account our findings and conclusions and we look forward to considering the review's own conclusions in due course.**

SECTION 5: ASSESSMENT OF THE THREAT

88.   In addition to the short-term assessment of the level of threat in May 2005, the Committee has considered what assessments were made about the nature of the threat prior to the attacks, how these compared with the threat that manifested itself on 7 July, and what reassessments have been made in light of those events. We have given particular attention to those aspects of the threat which were notable, namely: the fact it came from British citizens; that it manifested itself in the form of suicide attacks; and that it was directed against the transport network.

JIC and JTAC assessments pre-July

89.   Both the JIC and JTAC play an important role in analysing and assessing Islamist terrorism, as discussed in Section 2. The JIC produces strategic assessments of the threat from terrorism, aimed at presenting it in a wider context for senior decision and policy makers, including Ministers and officials. JTAC, in addition to setting threat levels, produces in-depth reports on current Islamist terrorism activity, trends and capabilities.

90.   To get a picture of what was understood about the threat prior to July, we examined all the JIC assessments from 2003 to August 2005 relating to the Islamist terrorist threat to the UK and all the JTAC quarterly assessments on the Islamist threat from 2003 to August 2005. We also took evidence from the Director General of the Security Service, the Head of JTAC and the Chief of the Assessments Staff.

The threat from British nationals

91.   We found that the possibility of British nationals becoming involved in terrorist activity, including against the UK, had been recognised prior to July. In 2004 the JIC noted that *** % of current Security Service targets for investigation were British and judged that over the next five years the UK would continue to face a threat from 'home-grown' as well as foreign terrorists. In evidence to the Committee, the Home Secretary and the Director General both said that the existence of the 'home-grown' threat had been well understood in advance of July 2005.

92.   Understanding of the potential threat from British citizens, including those born and brought up in the UK, appears to have developed over the period 2001–2005. The attempt by Richard Reid, the British 'shoe bomber', to blow up a transatlantic flight in 2001 clearly illustrated the possibility of British nationals

becoming involved in terrorist activity.[27] But the judgements of the JIC in 2002 suggest attacks against the UK were felt more likely, at that time, to be conducted by terrorists entering from abroad than by British nationals resident in the UK. By early 2004 perceptions of the threat, and the threat itself, had changed. Security Service investigations and successful disruptions in the UK revealed that British-born citizens were involved in plotting attacks on their home soil.

Targeting transport networks

93.   The possibility of attacks against the transport network had also been recognised prior to July. Our examination of JIC and JTAC assessments showed that the London Underground was specifically recognised by the JIC as a potential target as far back as April 2003. 'Soft' targets (including transport networks and shopping centres) became identified as the most likely targets for Islamist terrorist groups in the UK from around April 2004, following the Madrid attacks and continued investigation of terrorist activity in the UK. This represented a shift in focus from 'hard' (i.e. well protected) targets such as Government and iconic buildings. The intelligence community had initially focused on these after the 9/11 attacks because of Al Qaida's known aspirations to commit 'spectacular' attacks against high-profile or symbolic targets.

94.   A JTAC report of May 2005 on the Islamist threat to the UK rail and underground networks produced specifically for the transport sector concluded that attacks on UK rail networks were high on the list of possible target options for terrorists and were likely to remain so. The report emphasised that terrorists were more likely to attack high-profile or iconic rail targets. It stated, however, that there was no intelligence to suggest that attacks on the rail infrastructure, the London Underground, or any part of the UK public transport infrastructure, were currently being planned. The assessed sector threat level – SUBSTANTIAL – did not change and there was therefore no change to the protective measures in place. TRANSEC has told us that the report simply confirmed what they already knew from earlier assessments. Protective security regimes across transport networks had been reviewed following the 2004 Madrid attacks and the JTAC report simply contributed to continuing consideration of these security regimes.

Suicide attacks

95.   Perhaps one of the most shocking aspects of the 7 July attacks was the fact that they were suicide attacks. The possibility of British citizens conducting suicide

---

[27] *On 22 December 2001 Richard Reid, a British national, tried to blow up a transatlantic flight with a shoe bomb and was sentenced to life imprisonment in the United States in February 2003. In April 2005, the second 'shoe bomber' – Saajid Badat – was sentenced to 13 years in jail for planning to blow up a passenger aircraft travelling from Europe to the United States in 2001. He was also a British national and was born and raised in the UK.*

attacks had been illustrated by the 'shoe bombers' mentioned earlier and also by the suicide attempts of Omar Sharif and Asif Hanif in Tel Aviv in 2003.[28] But these attacks had not taken place on British soil.

96. Assessments prior to July acknowledged the possibility of suicide attacks against the UK. In June 2002 the JIC judged that loose networks of Islamist extremists capable of conducting suicide attacks were present in the UK and, in June 2005, that suicide techniques could become the preferred technique for extremist attacks elsewhere, following their impact in Iraq. The Head of JTAC said that suicide attacks had been reported on as a possible method for attacks in the UK and that preparations had been made, including by the police, in response to this. The overall JIC assessment, however, was that suicide attacks were not likely and that they would not become the norm in Europe.

The threat from Al Qaida and other networks

97. The extent of Al Qaida involvement in, or prior knowledge of, the 7 July attacks remains unclear. Current thinking in the intelligence community (although investigations continue) is that there was some contact with Al Qaida members, possibly while Siddeque Khan and Shazad Tanweer were in Pakistan. Contacts with Pakistan in the run-up to the attacks suggest advice or direction may have been provided from individuals there.

98. The complex nature of the threat from international terrorism, including from core Al Qaida at one end and unaffiliated groups and individuals at the other, had been assessed prior to July. A three-tier model was introduced into JTAC assessments in early 2005 to describe the varying degrees of connection between targets and the Al Qaida leadership: 'Tier 1' describing individuals or networks considered to have direct links with core Al Qaida; 'Tier 2', individuals or networks more loosely affiliated with Al Qaida; and 'Tier 3', those without any links to Al Qaida who might be inspired by their ideology. In May 2005 JTAC judged that the majority of its concerns focused on individuals and groups from Tiers 2 and 3, who were only loosely affiliated to Al Qaida or entirely separate (albeit with shared ideological beliefs).

99. In the aftermath of 9/11, Agency concerns were focused on Al Qaida networks, or 'Tier 1', and the possibility of attacks similar to those against the World Trade Center. This focus shifted, however, as more was learned and understood about the threat and its development within the UK. The group responsible for the Madrid attacks were assessed as belonging to 'Tier 3'. The majority of extremists in the UK are also currently assessed as belonging to 'Tier 3'.

---

[28] *On 30 April 2003 Omar Sharif and Asif Hanif – both British citizens – attempted to conduct suicide attacks on a Tel Aviv bar.*

100. In summary, although there was no prior warning of the 7 July attacks, the intelligence and security community had identified and evaluated some elements of the possible sources and manifestations of the threat:

●   The group involved were British citizens resident in the UK.

●   The attacks were targeted against 'soft' targets (the London underground and bus network).

●   There is thought to have been some (though possibly limited) connection with Al Qaida.

The impact of July: reassessment of the threat

101. We expect that the threat will take different forms in the future, just as it has done in the past, and that the terrorist *modus operandi* and targets will change. What is most important is that the assessment community regularly re-evaluates its judgements and keeps an open mind about how the threat may develop. Some aspects of the Islamist terrorist threat against the UK have already been reassessed in light of 7 July and these are set out in more detail below.

Suicide attacks

102. We noted above that the possibility of suicide attacks had been acknowledged by the intelligence community prior to July, but that the JIC had judged, in March 2005, that such attacks would not become the norm within Europe. A post-July assessment by JTAC explained that extremists in the UK had been thought less likely to carry out suicide attacks because long-term indoctrination in the UK is more difficult than in countries with larger extremist communities and a more pervasive Islamic culture. The fact that there were suicide attacks in the UK on 7 July was clearly unexpected: the Director General of the Security Service said it was a surprise that the first big attack in the UK for ten years was a suicide attack. On the earlier JIC judgement she said:

> *I think it is a reasonable judgement that still stands. I do not think we expect these to be the norm. In our analysis before July of the number of operations and operational planning of which we were aware… only about *** % showed any interest in suicide.*[29]

The JIC has since revisited suicide attacks and concluded that more might be inspired to conduct suicide attacks following the events of July 2005.

---

[29] *Oral evidence – Dame Eliza Manningham-Buller, 25 October 2005.*

103. **While the JIC had judged in March 2005 that suicide attacks would not become the norm in Europe, 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.**

Understanding radicalisation

104. We have been told that the speed of radicalisation of some of those involved in the attacks was also unexpected. According to the Director General of the Security Service, July showed that extremists could be created at any time through a very quick process. This means that the window of opportunity for identifying and disrupting potential threats could be very small. A reassessment of the way the threat is tackled in the UK is being undertaken in light of this learning, with implications for both the Security Service and the police. We will discuss this in more detail in the next section but, in summary, greater efforts are being made to identify individuals being groomed for terrorism (and those doing the grooming) at an early stage, in the knowledge that progression to attack planning may occur very rapidly, and with a view to intervening before terrorism has a chance to develop.

105. Of course, in order to be able to identify where terrorism may develop, a good understanding of radicalisation – how and where it may occur and how it might manifest itself – is critical. The Director General of the Security Service told the Committee that, following the disruptions in 2004, a lot of work was undertaken on radicalisation in the UK within Government. This included detailed work by the Security Service which identified that there is no simple Islamist extremist profile in the UK and that the threat is as likely to come from those who appear well assimilated into mainstream UK society, with jobs and young families, as from those within socially or economically deprived sections of the community.

106. The July attacks emphasised that there was no clear profile of a British Islamist terrorist. The Chief of the Assessments Staff said there was a tendency prior to July to think in terms of ethnic groups and to describe, for example, South Asian or North African groupings as the source of the majority of extremist activity and the greatest cause for concern. The July attacks showed that it was probably wrong to think and describe the threat in such terms as the picture that emerged was diverse, including individuals of Pakistani and Jamaican origin among others.

107. From the range of evidence we took (including from the police and others in the intelligence community), the overriding sense that emerged was that more needs to be done to understand radicalisation in the UK and to promulgate this understanding across the board so that effective action to prevent terrorism can be taken – by the Agencies, by the police, and by communities and families themselves.

Police representatives told the Committee that what they learned in July had overturned their understanding of radicalisation and those who might become radicalised to the point of committing terrorist attacks. The Head of Specialist Operations at the Metropolitan Police Service said: "*We were working off a script which actually has been completely discounted from what we know as reality.*"[30] The new police and Security Service initiative, to which we have already referred, includes a drive to improve understanding and build a 'rich picture' of radicalisation at the local level across the UK.

108. We welcome these new steps although **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.**

109. **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.**

Reassessing 'the unknown'

110. We noted in Section 2 that the Agencies had been aware prior to July that their coverage of terrorist activity was limited and that they would not be able to prevent all attacks. It is clear that the Security Service had long been aware that the problem was bigger than its capacity to cover it – hence the need, described earlier, to apply such strict prioritisation over the application of investigative resources. The Foreign Secretary said it was not a surprise that an attack took place about which the Agencies had no prior knowledge.[31] Nonetheless, 7 July brought a sobering picture of the amount of terrorist activity being conducted unknown to the intelligence and security Agencies. It reinforced earlier concerns over the large number of extremists in the UK and re-emphasised that the state of knowledge about their activities was not substantial enough.

111. The JIC concluded in September 2005 that the attacks had "*highlighted the limits of their current knowledge of the activities of Islamist extremists in the UK, and of their links abroad*". This was reiterated in evidence to the Committee by the Director of GCHQ, who said that the July events had sharpened the perception of how big 'the unknown' was:

---

[30] *Oral evidence – Andy Hayman, Assistant Commissioner, Metropolitan Police Service, 8 November 2005.*

[31] *Oral evidence – Jack Straw, 30 November 2005.*

We had said before July, there are probably groups out there that we do not know anything about, and because we do not know anything about them we do not know how many there are. What happened in July was a demonstration that there were ★★★ conspiracies going on about which we essentially knew nothing, and that rather sharpens the perception of how big, if I can use Rumsfeld's term [US Secretary for Defense], the unknown unknown was.[32]

112. The Director General of the Security Service assured the Committee that she had regularly briefed Ministers and other officials on the limitations of the organisation's coverage of the threat and the level of reassurance that she could give. We considered what was said in written assessments prior to July about the limitations of intelligence coverage. This Committee's report *Iraqi Weapons of Mass Destruction – Intelligence and Assessments* noted the importance of highlighting what is not known from intelligence as well as what is.[33] This was reinforced by Lord Butler's *Review of Intelligence on Weapons of Mass Destruction,* which recommended that intelligence assessments be drafted in such a way as to enable readers to pick up "*the range of uncertainty attaching to intelligence assessment*".[34] The report went on to conclude that significant limitations in intelligence should be clearly stated and that assessments should make clear what is not known.

113. Since the Butler Review, JIC reports which go to Ministers include an 'Assessments Base' box for the purpose of setting out these limits so that readers understand more clearly the level of confidence that can be applied to the judgements being offered. However, JTAC reports did not include 'Assessments Base' boxes until September 2005. The JTAC report on the terrorist threat to UK rail and underground networks, which was issued to the transport sector in May 2005, did not include an 'Assessments Base' section. The report summarised the threat on its front page as follows:

Rail and underground networks have been attractive targets to terrorists world-wide; Madrid attacks offer inspiration for further attacks against rail networks; attacks on UK rail networks feature highly in terrorists' menu of options; but [there is] no suggestion of a current tangible threat to UK rail or underground.

While it was implicit in the report, and the report itself was intended for informed practitioners who should have a detailed understanding of the wider threat picture, there was no explicit caveat that, given the limits of intelligence coverage, it was possible that an attack could be being planned without detection.

---

[32] *Oral evidence – Sir David Pepper, 6 December 2005.*

[33] *Cm 5972.*

[34] *HC 898.*

114. We have already recommended that the threat level system in general takes the limits of intelligence more formally into account. In addition, **we recommend that an assessment of the level of visibility of the threat must 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 therefore concerned that it has not yet been fully implemented.**

Revised Requirements and Priorities

115. We believe the new statement of the UK's Requirements and Priorities for 2006–2009, which was signed off by Ministers at the beginning of 2006, reflects the lessons that have been learned from the July attacks. There is a sharper focus on the direct threat to the UK from 'international terrorism', which has been drawn out of the wider requirement for intelligence on Islamist networks worldwide and presented as a single and separate requirement. The need for intelligence on terrorist radicalisation and recruitment has been made more explicit and given greater prominence.

116. There is also greater emphasis on the importance of intelligence on those involved in facilitating or funding terrorist activities, in recognition of the fact that the activities of facilitators can be critical to identifying the next plot, and also in recognition of the speed at which individuals can move from facilitation to attack planning. We note that the Security Service has also revised the titles of two of its target categories to '***' (in place of 'Essential') and '***' (in place of 'Desirable'). 'Other' remains unchanged. In evidence to the Committee, the Security and Intelligence Co-ordinator acknowledged that the events of July had sharpened the focus of intelligence collection and analysis effort:

> *What July showed us was that we were not wholly on top of the problem and, therefore, what we have been doing since July is refocusing our efforts, increasing our efforts, and thinking about how we can do things differently...*[35]

---

[35] *Oral evidence – Sir Richard Mottram, 10 January 2006.*

SECTION 6: COVERAGE OF THE THREAT

117. In the following section we consider what effort was allocated to work to counter the terrorism threat prior to July, what was being done to increase coverage of that threat before the attacks, what impact the July events have had on those efforts, and how they are being refocused and increased in light of the July attacks.

Effort on Islamist terrorism pre-July

118. We found that intelligence on Islamist terrorist networks (and particularly those planning attacks or with the capability to mount attacks on the UK) has been a JIC Priority Band 1 requirement for many years, well before the attacks in the US on 11 September 2001. Effort by all three Agencies on countering this threat has increased dramatically since then. Out of its total operational effort against the range of threats that it covers, the Security Service's effort against the Islamist terrorist threat rose from 23% in 2001/02 to 56% by July 2005.[36] In the SIS and GCHQ, operational effort against the Islamist threat rose significantly – from single figures before September 2001 to *** % and *** % of total effort respectively by the end of the 2004/05 financial year.

119. This increasing effort against Islamist terrorism in recent years must be seen against the background that none of the Agencies are solely counter-terrorist organisations. There is a range of other threats that the Agencies need to counter as well as a need to provide support to deployed British forces. We are aware of concerns, particularly within the SIS, over the need to maintain the ability to provide information on, and disrupt threats to, national security, other than international terrorism. In past reports this Committee has expressed its own concerns on this issue and these concerns remain. The existence of intelligence gaps, for example on countries such as ***, *** and ***, which have the potential to pose significant risks to UK interests in future years, is a significant concern. Prior to the terrorist attacks in London the JIC concluded that reprioritisation in order to build counter-terrorism capability had reached the limit of the possible and that diverting still further resources to tackle terrorism would leave the UK dangerously exposed in other areas. It is therefore undesirable that the Agencies should focus only on the current, most concerning, threat.

2004 Spending Review bid: resourcing a step change

120. The 2004 Spending Review settlement (SR04), which set Agency funding for the years 2005–2008, went some way to easing the pressures arising from the need to reallocate resources away from other work and on to counter-terrorism. In October 2003, at a Ministerial Sub-Committee on Public Services and Public Expenditure,

---

[36] *Operational effort describes all the work undertaken that is not considered 'back office' – i.e. work other than HR, finance, etc.*

the argument was put that a step change in the size of the community's counter-terrorism effort was needed in order to respond to the scale of the challenge posed by the Islamist terrorist threat.

121. This argument was successfully repeated in the SR04 bid, and led to a significantly increased Single Intelligence Account allocation for the years 2005–2008. The total Single Intelligence Account allocation rose from £1,313.7m in the 2004/05 financial year to £1,361.3m for 2005/06; £1,480.0m for 2006/07; and £1,553.0m for 2007/08. The bulk (73%) of the additional funds went to the Security Service and was aimed at achieving a significant increase in its capacity to detect, investigate and counter international terrorism threatening the UK. Plans included doubling the number of investigative and surveillance staff working on international terrorism, the development of *** regional stations to expand coverage into the regions and enable closer working with the police and Special Branches, and a new Operations Centre to enable operational staff and equipment to be located closer to terrorist targets. Increased investment in *** was also planned.

122. Of the SR04 increase, 21% went to the SIS to enable it to develop more intelligence on the overseas connections and activities of targets already known to the Security Service, and also on hitherto unknown targets in, or intending to travel to, the UK. Plans to achieve this involved increasing deployments and setting up new stations in areas of Islamist terrorist significance such as ***, *** and ***, building coverage in areas where the SIS had been spread more thinly such as ***, *** and ***, and seeking other ways to build coverage through liaison partners.

123. The remaining 6% of the SR04 increase went to GCHQ to expand its work on the analysis of *** and ***
*** and to identify new leads for Security Service or SIS investigation. Work to understand more about the terrorist *modus operandi* was also planned.

Changes as a result of the July attacks

124. The July attacks have confirmed the need to increase coverage of the threat at home and overseas. Existing expansion plans have been validated but, in bringing into sharper relief how much was unknown, the attacks have highlighted the need for these plans to be accelerated and where possible increased. In the words of the Chief of the SIS: "*We need to do more of what we were planning to do anyway and we need to do it faster.*"[37] A further £85m was announced by the Chancellor in the December 2005 pre-budget report for this purpose.[38] The funds will be split as follows: £*** for the Security Service; £*** for the SIS; and £*** for GCHQ.

---

[37] *Oral evidence – John Scarlett, 15 November 2005.*

[38] *Cm 6701, paragraph 6.47.*

Increasing coverage abroad

125. The 7 July group's connections to Pakistan (including the visits there in 2003, 2004 and 2005) have confirmed the significance of overseas links and travel to the development of terrorism in the UK and the continued need to tackle this threat abroad as well as at home. The importance of the efforts of GCHQ and the SIS against the domestic threat has been emphasised, as has the importance of continued close working with liaison partners overseas.

126. The SIS is now aiming to increase the rate of recruitment of staff and to go beyond its existing growth target of *** extra staff by 2008. It is also planning to build on progress already made to increase deployments to key CONTEST areas such as ***, ***, *** and ***, to open up new stations, and to continue to seek imaginative ways to increase coverage of the threat through allies and partners. £*** of the new funding will go to develop the *** in countries with high priority counter-terrorist targets. ***
***
*** . Since July, the SIS has also ***
***
*** .

127. Post-July, GCHQ is aiming to increase the amount of proactive target discovery and analytic work undertaken on the threat with a consequent further increase in the number of people doing that work. It is also accelerating investment in the skills required to master an increasingly complex communications environment.

Increasing coverage at home

128. The 7 July attacks highlighted – perhaps above everything else – the need to do more to tackle the radicalisation of British Muslims in the UK. The attacks showed very clearly that terrorism is a 'home-grown' problem and reconfirmed pre-July judgements about the need to double surveillance and investigative capability to allow more activity in the UK to be followed up. The need to increase coverage countrywide through the establishment of a greater regional presence has also been validated. As a result the Security Service is looking to accelerate and enhance SR04 growth plans. The number of proposed regional stations has increased, and the speed and scale of recruitment have increased, as has planned investment in IT tools to increase *** capability.

Getting into 'the unknowns'

129. The Director General of the Security Service told the Committee that the main lesson learned from the July attacks was the need to get into 'the unknowns' – to find

ways of broadening coverage to pick up currently unknown terrorist activity or plots. We were told that Security Service and police efforts prior to July were focused on following up known intelligence leads in the UK, arising either out of other terrorist investigations, from GCHQ or the SIS, or from foreign intelligence reporting. Resources were fully consumed with the pursuit of existing leads and there was little capacity to look beyond to see where other threats might be developing. Steps are now being taken to develop a more proactive approach to identifying threats in the UK, first through *** and second through closer working with the police at the local level.

130. The potential value of *** and *** as a means for identifying new threats has been highlighted to the Committee. The fact that the 7 July group was in contact with others under Security Service investigation has emphasised the potential for new threats to be identified through the examination of information and contact networks relating to existing targets. Greater capacity to *** to generate new leads is being developed within the Security Service.

The Security Service and the police: building a 'rich picture'

131. The July attacks emphasised how much was unknown by the police and the Security Service about ideologically motivated extremist activity at the local level. In previous Annual Reports we have noted the close links between police Special Branches and the Security Service and the way they work together on national security issues.[39] While Special Branches remain an integral part of local police forces in the UK, they also recruit and run agents in support of Security Service work and operations, and act as a major extension to the Security Service intelligence collection capability. Although they have a range of functions, their primary function as set out in the current guidelines on Special Branches is "*covert intelligence work in relation to national security*".

132. Problems in the way that the Security Service and Special Branches work together, and particularly in the way Special Branches are able to support the Security Service, were identified by this Committee in its 2002–2003 Annual Report:

> *The vast majority of Special Branch work depends on the resources allocated by individual Chief Constables… The variation in resources available means that not all Special Branches are able to provide an optimum level of support to the Security Service although this can be mitigated by co-operation between the Special Branches in the larger and smaller police forces.[40]*

133. Since then improvements have been made – particularly with the appointment of the National Co-ordinator of Special Branches in early 2004 to co-ordinate and

---

[39] *Cm 5837, paragraph 71.*

[40] *Cm 5837, paragraph 71.*

promulgate Special Branch policy and to promote higher standards. Nonetheless, Special Branches continue to vary in size and competence and, while there is a requirement, through the National Policing Plan, for police forces to undertake counter-terrorism work, we have been told that there is currently a lack of detail in relation to targets and objectives. There is, moreover, no specific requirement for their Special Branches to meet a certain standard in the counter-terrorism work they do conduct in support of the Security Service.

134. Building on pre-July plans to expand into the regions, the Security Service hopes to be able to work more closely with Special Branches to achieve improvements in this area and to enable the police and the Security Service together to build what is referred to as a 'rich picture' of extremist activity at the local level. Their goal is to become more proactive at identifying those who may be being groomed for terrorism, and those doing the grooming, and so to spot where terrorism may next occur. The Chair of the Association of Chief Police Officers Terrorism and Allied Matters Committee (ACPO TAM), Ken Jones, spoke to the Committee of the need to think more laterally about intelligence in order to achieve this. A rich picture of the 7 July attackers was built by the media in the aftermath of the attacks from openly available information and witnesses (not secret intelligence). Ken Jones expressed the need to harness this 'open source' information as far as possible to increase the opportunities for the police and the Security Service to identify where radicalisation may be leading to terrorism and to prevent future attacks.

135. The value of closer joint working between the Security Service and the police on a more local level is one of the key lessons to arise from the July attacks. Steps are in hand to improve the tasking and feedback mechanisms between the Security Service and Special Branches and it is hoped that this will bring better management and prioritisation by the Security Service of the demands it makes of Special Branches. It is also hoped that this will encourage more constructive feedback by the Security Service on Special Branch performance. Where there may in the past have been a reluctance to give bad news and upset good relations, there appears, rightly, to be more determination post-July for problems or areas of weakness to be identified and resolved.

136. Responsibility to strengthen the counter-terrorism capability of Special Branches rests with the Home Office under the CONTEST strategy. The need to improve capacity and capability in this area has been recognised by the Home Secretary post July. In January 2006 the Home Secretary announced an additional £446m for the Police Service over the next two years specifically for "*countering the international terrorist threat and domestic extremism*".[41] We have also been told by police representatives that the Government has agreed the need for a statutory code

---

[41] *Written Ministerial Statement, 25 January 2006, Hansard Column 58WS.*

on Special Branch activity. This is to be drawn up by the National Centre for Policing Excellence, to provide clarity over the minimum standards required of Special Branches on counter-terrorism and to ensure that adequate resources are dedicated to this work by police Chief Officers.

137. The need to seek improvements in this area is also one of the key drivers behind the debate about police restructuring. **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.**

138. **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.**

Resourcing increases in coverage

139. We have considered whether there was any failure on the part of the Agencies in not having sought a greater funding increase to expand their coverage of the threat sooner, for example in SR04 or before. We found that they sought, and were given, additional funding immediately after the 11 September attacks via a claim on the Reserve which provided an additional £54m for 2001/02 and £54m for 2002/03. It is also clear that they allocated increasing effort to counter-terrorism over the five years prior to July 2005.

140. As for whether a greater increase should have been sought in SR04, the Agency heads insisted that they had asked at the time for the maximum by which they thought they could grow. The Chief of the SIS expressed the following concerns:

> *If you try to bring in more than a certain number of new people every year, you can literally bust the system… you can only tolerate a certain number of inexperienced people dealing with very sensitive subjects.[42]*

141. The Director General of the Security Service said:

> *What we are trying to do is the maximum we think we can bear in terms of recruitment, training, vetting expansion, scale, new offices, a big northern operations centre… it is a very challenging programme.[43]*

---

[42] *Oral evidence – John Scarlett, 15 November 2005.*

[43] *Oral evidence – Dame Eliza Manningham-Buller, 25 October 2005.*

… The main reason we did not ask for more [in SR04] is because we felt it was partly determined by the rate of growth of what is feasible. We had to ensure that we could absorb and train new people effectively and we bid for what we thought we could cope with.[44]

142. Nonetheless, we believe that **the July attacks have acted as a catalyst for change within the intelligence and security Agencies**. That is not to say they were not already taking innovative steps to adapt to the challenges faced – the SIS, for example, had already taken the decision to establish a public website in order to increase rates of recruitment. **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.**

Conclusions

143. **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.**

144. The debate continues as to the appropriate balance between the protection of lives against terrorist atrocities and the protection of civil liberties against increased intrusion into those lives, aimed at preventing such attacks. **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.** While greater resources for the Agencies mean a greater chance that attack planning will be identified, it is by no means guaranteed. The Director General of the Security Service said to the Committee:

Could we, could others, could the police have done better? Could we with greater effort, greater imagination, have stopped it? We knew there were risks we were running. We were trying very hard and very fast to enhance our capacity, but even with the wisdom of hindsight I think it is unlikely that we would have done so, with the resources available to us at the time and the other demands placed upon us. I think that position will remain in the foreseeable future. We will continue to stop most of them, but we will not stop all of them.[45]

---

[44] *Oral evidence – Dame Eliza Manningham-Buller, 6 November 2005.*

[45] *Oral evidence – Dame Eliza Manningham-Buller, 6 December 2005.*

145. Both the Director General of the Security Service and the Chief of the SIS emphasised to the Committee the growing scale of the Islamist terrorist threat. The Director General said that the Security Service was carrying more risk now than on 7 July 2005 in terms of the stretch on resources and the amount of worrying activity.

146. **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. 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, 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.**

SECTION 7: SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

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.

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 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.

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.

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.

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.

Assessing the threat

J   We note that the 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.

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.

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.

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.

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.

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.

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.

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.

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.

EVIDENCE

In addition to examining a number of intelligence assessments and other written documents, the Committee took evidence from the following witnesses, some of whom gave evidence on more than one occasion:

Ministers

The Rt. Hon. Jack Straw, MP – Foreign Secretary
The Rt. Hon. Charles Clarke, MP – Home Secretary

Officials

GOVERNMENT COMMUNICATIONS HEADQUARTERS
Sir David Pepper KCMG – Director, GCHQ
Other officials

SECRET INTELLIGENCE SERVICE
Mr John Scarlett CMG – Chief, SIS
Other officials

SECURITY SERVICE
Dame Eliza Manningham-Buller DCB – Director General, Security Service
Head of the Joint Terrorism Analysis Centre

CABINET OFFICE
Sir Gus O'Donnell KCB – Cabinet Secretary
Sir Richard Mottram GCB – Security and Intelligence Co-ordinator
Mr Tim Dowse – Chief of the Assessments Staff
Other officials

FOREIGN AND COMMONWEALTH OFFICE
Mr David Richmond CMG – Director General (Defence and Intelligence)

POLICE
Chief Constable Ken Jones QPM – Chair of ACPO TAM/ACPO President designate
Assistant Commissioner Andy Hayman QPM MA– Head of Specialist Operations, Metropolitan Police Service
Deputy Chief Constable Bryan Bell – National Co-ordinator, Special Branch