

Joint Committee on the National Security Strategy

Oral evidence: [Work of the National Security Adviser](#), HC 625

Monday 28 January 2019

4.15 pm

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Members present: Margaret Beckett (The Chair); Lord Brennan; Lord Hamilton of Epsom; Lord Harris of Haringey; Baroness Healy of Primrose Hill; Baroness Henig; Lord King of Bridgwater; Dr Julian Lewis; Lord Powell of Bayswater; Lord Trimble; Tom Tugendhat; Stephen Twigg.

Evidence Session No. 2

Heard in Public

Questions 31 - 58

Witness

[I.](#) Sir Mark Sedwill, National Security Adviser, Cabinet Office.

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Examination of witnesses

Sir Mark Sedwill, National Security Adviser, Cabinet Office.

Q31 **The Chair:** Thank you very much for joining us again, Sir Mark, and thank you also for being flexible enough to accept a change of date in the slightly awkward circumstances of last week. It is much appreciated.

You have obviously had a change of roles since we last saw you. Is your dual appointment as Cabinet Secretary and National Security Adviser an arrangement that is seen as permanent?

Sir Mark Sedwill: Essentially, it is a single job now. To begin with, when I was covering the job for Jeremy Heywood, we all hoped that he was going to return and I would have gone back to being National Security Adviser full time. When that was no longer going to be the case, we combined the job. I am the Cabinet Secretary, and my portfolio covers national security, being Secretary to the Cabinet and head of the Civil Service. Most of my predecessors had that portfolio, actually; Gus O'Donnell's was even bigger when he was Cabinet Secretary, because he did not have a chief executive of the Civil Service and he was also Permanent Secretary to the Cabinet Office.

I would not say the job is permanent, because it needs to flex to suit the circumstances of the time. Right now, we concluded when we talked about this that, as we go through Brexit, the two sets of responsibilities are mutually reinforcing. I am able to bring to the Cabinet Secretary role some of the experience and techniques of National Security Adviser. As we go through Brexit we need government to operate in a genuine common endeavour. Once we are through and into a new equilibrium, in different circumstances my portfolio or that of my successor might change again, but, for now, this is the right approach.

The Chair: I think you will accept that from the point of view of the post of National Security Adviser it is a very substantial, one might almost say quite dramatic, change, not least because, as I understand from what you have said in other places, someone else now travels, normally. One can completely understand why that is, but it is a very big change.

Sir Mark Sedwill: Yes, although it is a change that we were making already, even when I was just the National Security Adviser. I was doing the job somewhat differently from my predecessors, partly because I had run a big department and was therefore more naturally focused on ensuring that we were embedding the fusion doctrine and some of the reforms I wanted to make to the Whitehall machine. Even in my first year, when I was just the National Security Adviser, one of my colleagues, Christian Turner, my deputy, who is the Prime Minister's international affairs adviser, travelled with her more often than I did, whereas my predecessors invariably travelled with the Prime Minister. Again, the job shapes and flexes according to the requirements of the time.

I am still doing some independent travel, largely on national security business. When I was in India, for example, I saw the National Security Adviser, the Indian Cabinet Secretary, the Principal Secretary to the Prime Minister—and, indeed, the Foreign Secretary, the head as they call it; that is their equivalent of the Permanent Secretary, as you know. I attended the Raisina Dialogue and was able to engage with the Indian Government across the full range. So the two jobs work well together, including in the international environment.

The Chair: I can see the advantages. What are the disadvantages?

Sir Mark Sedwill: Inevitably, there is always the question of stretch and focus, as there is in any big job. I would not say that those are disadvantages, because one needs to build a team to make sure that the effort overall, and the team overall, is achieving all the goals that are set.

I have very strong team around me. I have the Prime Minister's international affairs adviser, one doing national resilience and security, European affairs, economic and domestic policy, governance, and I have the secretariat. The team as a whole is what it is about; it is not about the individual in the captain's role, if you like.

Q32 **The Chair:** I take that point completely, and it must always be good to have as strong a team as possible. As you may know, this Committee has in the past expressed some concern about whether the National Security Secretariat was strong enough for the roles it had to undertake. Have you brought more people in?

Sir Mark Sedwill: We have strengthened the secretariat. There was a proposal at one stage to go down to one deputy, for example. I have always maintained two, and they cover the two sets of responsibilities I set out: international affairs, and national resilience and security. We have beefed up areas of the secretariat in support of them and me.

In a sense, more importantly, we are integrating the range of Cabinet secretariats. The National Security Secretariat is now much more closely integrated with the Economic and Domestic Secretariat: they are working together on issues such as trade policy, Brexit preparations, international agreements and so on. I have sought to apply that fusion approach, which I have talked about in this Committee before, to the full range of our responsibilities and to create a genuine team effort across the full range of the Cabinet Office's policy responsibilities.

The Chair: Can I ask you to focus on a particular example? When the Skripal poisoning took place you were very clear about what had to be done, the role that you took and so on. Now that you are Cabinet Secretary, would you be able to do that role or would somebody else have to undertake it? Would it carry the same weight if it was not you?

Sir Mark Sedwill: I am not a great believer in position and authority if you have the right people, but if that were to happen now I would perform exactly the same role that I performed before. I conducted an exercise recently on the doctrine, hybrid deterrence and so on, where I

took the chair in COBRA. I am currently chairing exit preparedness meetings as Cabinet Secretary in COBRA a couple of times a week or more, because I am bringing that national security set of techniques into that world. You may want to pursue that point a little.

If an issue is of the seriousness of something like the Skripal issue, I would still expect to be in a central role.

The Chair: We may come back to the issue of preparedness for Brexit.

Q33 **Lord King of Bridgwater:** I am very impressed with the background of your career. I like the list of all the things you did at the Foreign Office, and then, by accident, you did four years as Permanent Secretary at the Home Office, which I would have thought would also be useful background in some of the national security issues. But I have to say I find it very difficult to accept what you have said about being able to cover the whole of the waterfront. Is there a deputy Cabinet Secretary?

You made a point about how valuable it is to be able to travel abroad, to India and all those places, to meet others, and I am sure that is right. In the turbulence of the present world that we are living in, which certainly in my humble years of experience seems to be the most dangerous world that I remember for a long time, with uncertainties in almost every corner of the world, it seems to me to be absolutely impossible to run both those jobs together. Look at the Brexit situation: urgent, overnight, immediate Cabinet meetings of one sort and another. If you are in India, where is the Cabinet Secretary?

Sir Mark Sedwill: When I went to India, I flew there and back overnight, and there is a certain requirement for stamina just in being able to do that. I do not have a single deputy; I have a team who cover the portfolio as a whole, and if I were abroad and there was an urgent meeting, just as if I were on leave somebody else would step in. The team has that resilience. However, I attend every Cabinet and every National Security Council meeting, and I arrange my programme to do so.

I would turn the argument around. You are absolutely right that the world is in a very turbulent period. It is critical that as we navigate our way to our new position, as we go through Brexit and deal with that in a different configuration of arrangements than we had before, we treat it as a genuinely common national endeavour. So I do not think it is right to have a national security corps and the rest; we need to bring the whole of government together, and that is what I am seeking to do. It will not be a permanent arrangement, but I think it is the right arrangement for this immediate period, and it is the same arrangement that several of my predecessors had as we went through equally turbulent periods in the past.

The Chair: That brings us neatly to Mr Tugendhat.

Q34 **Tom Tugendhat MP:** Well, Cabinet Secretary and National Security Adviser, we served together in Afghanistan where we spoke quite a lot

about the comprehensive approach in those days. How is the fusion doctrine any different?

Sir Mark Sedwill: I think the two are closely related. The comprehensive approach was, of course, designed for the specifics of a counterinsurgency campaign, but a lot of the fusion doctrine arises from the lessons of those campaigns. However, it goes beyond it, in three ways. First, there have been many efforts over the years at joined-up government—the Chair will remember that phrase well from her own time in government—but as those of you will know who have experience of this, very often it ends up as an effort to find areas of common agreement, and that can end up as the lowest common denominator.

We are trying to do this somewhat differently. It is strategy-led, and there are three elements to it: strategy-led design of policy and planning; cross-government mechanisms to implement, including senior officials at the three-star level leading cross-government teams to implement the decisions of the National Security Council; and a link between that and capability, through the annual posture reviews and the five-yearly cycle of SDSRs. Those are still developing; it has been in place for only about a year.

The record is strong in some areas and is developing in others, and we are still working through it, but that is the difference: it builds on such things as the comprehensive approach, but our aim is something qualitatively different.

Tom Tugendhat MP: You said to the Defence Committee that you think this is a way of officials rethinking, or thinking differently about, national security threats. How do you measure the impact of that change in thought?

Sir Mark Sedwill: It will vary from issue to issue, but part of the cycle is to plan, do the strategising and try to bring in expertise from outside Whitehall, using some of the lessons identified by the Chilcot report—red teaming and so on. We then move into implementation, and we are building monitoring and evaluation into that cycle. The idea is that there is evidence on which to base future plans, because very few issues start cold and then complete. Most issues we are dealing with are ongoing in some way. We are using the JIC as the core of the second question, the first question being about our objectives and goals. The second question is: what is the situation? That appreciation includes whether the current plan is on or off track against the milestones and objectives that were set.

Q35 **Tom Tugendhat MP:** You set out some interesting challenges there about co-operation. One of the areas that the Foreign Affairs Committee has been particularly interested in is dirty money. As you know, we published a report on an aspect of that, which we entitled *Moscow's Gold*, but we have also co-operated with others. I signed the amendment that Dame Margaret Hodge and Andrew Mitchell introduced about open registries on beneficial ownership in the overseas territories. You will also

be aware that that amendment gave 2020 as the date for implementation, and that for some reason the relevant Minister decided that that was the end of the consultation period and that the Order in Council would be given then, which extends the date, somewhat bizarrely, to 2023.

Can you see how this would raise some questions about national security, given that foreign uses of various jurisdictions, some of which are under our control and some of which are not, is one of the things that has affected the national security of this country, and indeed of NATO allies, over recent years? In the period between 2020 and 2023, we have at least two major elections that I can think of in the English-speaking world, and possibly more. One might think that financial probity would be one of the issues one would like to look at.

Sir Mark Sedwill: I think that is right. You are absolutely right to point to the seriousness of the problem. Of course, as we know, the laundering of dirty money often happens at the boundary of the state and criminal networks. Many national security threats emerge from what one might politely call fragile states, where criminal networks have penetrated the institutions of the state and can sometimes exploit those institutions for their own benefit.

On the specifics, I have not tracked the question of the overseas territories particularly closely myself, but as I understand it—I can write to you with further details if you like—there was some controversy among the overseas territories about this amendment, as you will recall. Aside from the substance, they took a view that this breached the rather delicate constitutional balance between the UK and them. Nevertheless, the Government are committed to implementing the legislation. As I understand it, the Order in Council will be issued by the end of 2020 and then there will be a period for the OTs to implement that Order in Council over the subsequent few years.

As I understand it—I am not an expert on this—that is to allow the overseas territories to get themselves into shape to be able to implement that requirement effectively and make the necessary adjustments to their financial systems. The implementation challenge does not at all detract from the underlying seriousness of the point you make that any money laundering, particularly that involving institutions or entities operating at the boundaries of the state and the criminal, is a significant national security threat. Of course, it is a threat that has been illustrated in other national security areas as well.

Tom Tugendhat MP: I would be very grateful if you would write to me on that, because, of course, the UK Government signed up to this through various European directives not very long ago. It seems that this will attract significant parliamentary interest, to reassert the constitutional norm between the overseas territories and the UK Government that we do national security for all of us; we do not just do national security and leave gaps.

Q36 Lord Hamilton of Epsom: Have we not been at the shrine of worshipping joined-up government countless times before, and nothing ever really happens? COBRA was invented and meets when there is a disaster, everybody hurries around the table and agrees that they should work together, and then the threat fades, interest in the threat fades and everybody goes back to the departments they came from. Then there are regular meetings. Is JIC not still chaired by a Minister?

Sir Mark Sedwill: No, by a senior official.

Lord Hamilton of Epsom: No? That is enough. People go along to the meetings that are brought together but they are very low-priority; the departments are facing serious political imperatives that are more important to them than these joint committees, which are supposed to agree on everything. Surely, if we really take this seriously and if we think that the national security strategy matters, we should be transferring assets and budgets into a separate department.

Sir Mark Sedwill: I agree that there have been many efforts at joined-up government, and you are right that this is an evolution of some of those. However, I talk to people across Whitehall. I spoke at an MoD course this morning to people at middle ranks, and they have absolutely started to interpret the fusion doctrine at that level in their training, because they recognise the utility of it.

I can point to examples in the national security area where the approach we have taken is qualitatively different as a result of it. You could say that some of those things would have happened anyway, but the fact that there is now a doctrine, a mechanism and a structure to it means that it is easier for people to move through it.

There is a genuine commitment across Whitehall to it. The Africa strategy reflects it, the approach we took to Salisbury reflects it, the approach we are taking to serious and organised crime reflects it. The new Contest review really brings the social policy department into a national security task for the first time. If one looks at it other way around, child sexual abuse and exploitation online is a public safety rather than national security issue, but we are now bringing national security capabilities to bear to disrupt it.

You are absolutely right that we could have found other ways of doing those things, but essentially a bias to the fusion doctrine, to that approach—do not worry, the title is less important than the concept—means that people are now automatically thinking in those terms.

I do not think it means, though, that one should try to set up a separate department, because there are many threats, and indeed opportunities, that we need to approach in this way and they have to involve a team effort across the whole of government, and in some cases beyond. A separate department would just become isolated when what we need is the Ministry of Defence, the Foreign Office, DfID, the Treasury and BEIS all working together on this, rather than thinking that national security is

a minority sport to be done elsewhere. It is critical that this is a whole-of-government effort.

Q37 Lord Trimble: The national security capability review and the modernising defence programme both took longer than either of the two full SDSR processes in 2010 and 2015. Can you explain why it took so long, bearing in mind that the Committee was told that it would be “a quick refresh”?

Sir Mark Sedwill: Indeed. The capability review started immediately after the 2017 election, whereas with most SDSRs, although the formal process can be briefer, as it was in 2015, there has been a great deal of preparation over the previous few years. Some of you, such as Dr Lewis, will know that the Ministry of Defence, for example, starts preparing the next one almost as soon as the previous one is locked down and thinking about the kinds of approaches it needs to take. One should distinguish a little between the public work and the official work that goes on behind it.

The capability review, of course, was a portfolio approach and it ran for a matter of months after 2017. It was completed by the end of that year, even though it was not published until later. Rather than focusing entirely on a public document, which is what some of the previous reviews had done, we started out by operating at a proper level of classification—most of the work was confidential or secret—took the decisions on that basis and only produced a public document thereafter, because there had been criticism in the past that focusing on a public document inevitably biased some of the conclusions.

So the timing was not quite as it appeared publicly. The modernising defence programme, as you indicate, was one of the components that were already in train. There will be an SDSR at some point, but essentially it is an ongoing programme to mobilise the current capability, to modernise and of course to transform the way the MoD itself works and improve its efficiency and effectiveness.

Lord Trimble: Quite a remarkable goal at the end of that sentence.

Sir Mark Sedwill: Indeed.

The Chair: We might have heard that before, too.

Q38 Dr Julian Lewis MP: One of your predecessors, Sir Mark, complained to this Committee that the defence strands were taken out of the national security capability review, for a particular reason that I will come to. I thought it was rather a good thing. What was your view?

Sir Mark Sedwill: I did not mind as long as it was aligned. That was the key thing. The honeycomb picture that we use to express the capability review sets out 12 different components, essentially individual projects—I think I set this out the last time I was here—some of which were already in train. For those, and defence was one of them, the purpose of the capability review was to bring coherence to work that had already been announced, and to add to it areas of capability that were not being

addressed. So for me the question was one of alignment and coherence, rather than ownership.

Dr Julian Lewis MP: But you can take the fusion doctrine too far, can you not? I would argue that there was the danger that you were trying to fuse the defence and security budgets into a single pot of money. When the defence strand was part of the national security capability review, as you revealed to this Committee previously, the whole operation was meant to be fiscally neutral. That meant that for every pound spent on the security side of the equation, £1 less would have to be spent on defence. Did this combining of the two not lead to plans being drawn up for serious cuts in our conventional defences?

Sir Mark Sedwill: First, we are a long way away from the point at which I would say that fusion could go too far. We are still very much in the early phases—

Dr Julian Lewis MP: I am talking about financial fusion.

Sir Mark Sedwill: I understand the point you are making. I recall talking to this Committee, and indeed to yours when I appeared in front of it, about a total national security pool of about £58 billion, of which defence forms about 60-plus per cent. You are right that the overall approach to the capability review was fiscally neutral, but there were ring-fenced commitments within that, including the 2% of GDP for defence, the 0.5% real growth per year and the 0.7% of GNI for international aid. So there were ring fences within it.

There were leaks about potential changes within defence—different shifts of capability, cuts in some areas and increases in others. That was nothing to do with the overall pool of resources. All that thinking was within defence's own budget. There was no transfer between that and security, for example.

Dr Julian Lewis MP: Are you saying that all those leaks, saying that we might lose the amphibious capability, we might see a loss of one or two RAF squadrons and we might see a lower target for the size of the Army, were nothing to do with anything extraneous to the defence budget that was already guaranteed? In which case, why, when the defence strand was taken out of that review and it was then decided that it would not be a fiscally neutral exercise, did those cuts not happen and defence actually got more money?

Sir Mark Sedwill: As you say, when the modernising defence programme ran through and the work was done, additional funds were found in the short term for dealing with some of the pressures on defence to both mobilise and modernise. You will understand that I do not want to get drawn into speculating about leaked documents that were—how shall I put it?—an incomplete record of the thinking that was going on at the time, but some of the rather lurid stories and speculation at the time were never any part of government policy thinking. There was quite a lot of speculative material, but it was not part of government thinking.

As I say, within the national security capability review, defence was one of the areas that was ring-fenced because of the public commitments that had been made.

Dr Julian Lewis MP: Are you saying that even though the whole national security capability review was supposed to be fiscally neutral, so there would be no extra money for the overall pot, and even though there was a lot of talk about spending more money on new types of threats for the 21st century—every time I asked the Prime Minister about more resources for the Army, the Navy and the Air Force, she would always come back with the same answer: “You’ve got to consider new threats in the 21st century that don’t traditionally fall within the remit of the three services”—and all the signs were that more money was going to be spent on these new threats, it would not have been money taken away from the conventional defence budget, and the whole thing was meant to be fiscally neutral?

Sir Mark Sedwill: Of course, we approached it thinking that it would be fiscally neutral, because we felt that that was the right way to approach a review of capability. In fact, additional resources were found in several areas as new pressures and requirements were identified. There was an uplift for counterterrorism work, some of which arose from the operational reviews of our counterterrorism work.

We found a relatively small amount, certainly by the standards of defence, to beef up strategic communications capability. We reallocated money to create the National Economic Crime Centre. None of that came out of the core defence budget. Obviously I do not recall exactly which exchange with the Prime Minister you are referring to—

Dr Julian Lewis MP: There were several.

Sir Mark Sedwill: Yes, I can imagine. I imagine that she was referring not so much to money coming out of defence into other areas but to defence, as the biggest part of the country’s national security capabilities, applying itself to the new threats as well as to the traditional threats. We have seen that over at least a decade and a half.

Dr Julian Lewis MP: Being entirely specific, are you saying that the report by Deborah Haynes on the front of the *Times*, which had three lots of specific options regarding cuts in each of the three armed services that appeared to be on the cards before the defence strand was removed from the national security capability review, was groundless speculation and nothing specific?

Sir Mark Sedwill: Again, you will understand that no one in my position ever comments on a leaked document, because once we start down that track we start having to share every document in government.

Dr Julian Lewis MP: That assumes that it was a document that was leaked.

Sir Mark Sedwill: Well, Deborah Haynes is a very professional reporter and would not have reported in those terms had that not been the case. However, I would not use exactly the phrase that you did to describe it. It was clearly put out there in order to have a political effect.

Dr Julian Lewis MP: So the Government will be holding a full review of the national security strategy and the SDSR at some time. Normally that would have been five years after the last one in 2015. Are we expecting the next one to be in 2020, or will it, as a result of this exercise, be delayed a bit?

Sir Mark Sedwill: The five-year cycle, of course, links to the parliamentary cycle. It has been traditional at the beginning of a new Parliament for there to be a spending review, and it is right that if there is a comprehensively spending review it is associated with an SDSR and a national security strategy review.

Obviously, the parliamentary cycle shifted with the 2017 election. The Government still have to take a decision on the exact scope and duration of the spending review. The Chancellor will announce that in due course, but, as he has set out, there will certainly be a spending review this year. That sequence is essentially no longer exactly as it was before, so Ministers still have yet to decide whether to apply an SDSR alongside it. That will depend somewhat on the terms of reference of the spending review.

Q39 **Dr Julian Lewis MP:** Are there any particular lessons that you think you have learned from the experience of holding this interim review process?

Sir Mark Sedwill: Yes. As I mentioned earlier, there are two things we want to do in linking strategy and implementation to capability. First, we will be conducting, and have actually started to conduct, the first annual posture review. That is not a full SDSR or anything of that kind but is essentially about identifying how the existing capability set can be deployed in order to meet the national security priorities, and, if there are some capabilities that are oversubscribed and some that are undersubscribed, whether there can be re-prioritisation, although in effect you will be aware that with that kind of cycle there is a fairly fixed supply. We will report on that in the annual SDSR report and will include in it material on the first of those. The development of major capability, the really big decisions, should be for the SDSR on a five-year cycle.

The other thing I am keen to explore, although again this is a decision for Ministers, is how we can also look at SDSRs sequentially. Even though five years is quite a long planning horizon for defence capability and for major aid priorities and so on, and of course fits with the political cycle, actually it still is not long enough. Each SDSR also needs to be seen as the area in which we can to some extent pilot or prepare some of the capabilities that might be industrialised in the subsequent one, obviously depending on political decisions taken at that time. I am quite keen that we look at it in a more strategic way.

The Chair: I promised that we would come back to Brexit. Lord Hamilton.

Lord Hamilton of Epsom: Is this question about fusion to do with Russia and China?

The Chair: No, it is question number six.

Sir Mark Sedwill: I am very happy to talk about Russia and China, other than Brexit, for a minute.

Q40 **Lord Hamilton of Epsom:** No, no. This is all to do with the EU withdrawal agreement. Do you really think it is going to make this country less secure when we pull out of the EU?

Sir Mark Sedwill: It very much depends on the terms, but if the withdrawal agreement is ratified and we secure the proposals that are set out in the political declaration, the answer is no. We have set out a proposal for continuity in security terms on the domestic side—database sharing, mutual recognition, et cetera. We will have a more independent approach in relation to international policy.

That is the balance that was set out on the national security side. Assuming that we are able to ratify the agreement and then able to turn the political declaration into a detailed set of arrangements of the kind we have set out, and we should be confident that we can, our national security should be protected.

Lord Hamilton of Epsom: And if we were to leave with no deal? Surely, there is a mutual interest in sharing all this information anyway.

Sir Mark Sedwill: There is indeed. Of course, we would seek, and as you know we are contingency planning, to mitigate the impact of no deal, but we have to accept that with no deal there would be some legal discontinuity. Even though we all agree that we would want to share data and to continue to recognise each other's law enforcement operations and so on, there would be no sound legal base for doing so. Some of the data sharing, for example, would have to move to Interpol and away from the direct engagement that we have with European databases, into which, of course, the UK is a huge contributor. That would be damaging for both sides, but there still needs to be a sound legal base for doing so, and without a deal there would not be.

So there would be a disruptive effect. Obviously, we would do our best to mitigate it, but I cannot pretend to this Committee that that mitigation could be complete.

Lord King of Bridgwater: The arrest warrant would go?

Sir Mark Sedwill: In the circumstance of no deal, all the direct European co-operation that is not on a straight bilateral basis would be disrupted. We would seek to mitigate it as quickly as we could, but there would be no sound legal basis for much of that co-operation. Data exchange,

arrangements such as the arrest warrant, our membership of Europol, et cetera, would all be disrupted without considerable mitigation.

Q41 Lord Harris of Haringey: You will have seen the Institute for Government's analysis of the political declaration, which suggests that we would lose access to the European arrest warrant, the Schengen Information System and the European Criminal Record Information System at the end of the implementation period.

Sir Mark Sedwill: That is unless we have generated access to them through the political declaration. The political declaration is not explicit on SIS II, for example, but it is in other areas. That is because at the moment the EU does not have a legal instrument for, say, for SIS II that permits it to be extended to countries that are not a member of the EU or a non-EU member of Schengen.

Of course, we would seek to find an arrangement with them that enabled us to continue to both contribute to and access SIS II. The areas that are mentioned in the political declaration—the specifics in other areas of this kind—are areas where the instruments already exist for third-party access. In those cases, we would seek to ensure that our third-party access was as efficient and effective as membership, which is not always the case with those arrangements.

There is a distinction between an operational consideration where there is a legal basis for third-party access and a legal treaty adjustment, in some cases, but definitely a legal negotiation about generating access in cases where they do not have the legal basis for non-EU, non-Schengen membership.

Lord Harris of Haringey: The legal basis exists for Prüm and passenger name records?

Sir Mark Sedwill: Exactly. That is why there is the variation. Our clear ambition in the political declaration is to develop those, but of course that is going to be part of the negotiation and will require the EU to generate the legal basis to enable both sides to benefit.

The one thing I would say, although this is obviously for the future, is that there is a very strong intent, particularly among interior ministries all around Europe that understand the operational impact of maintaining these capabilities and maintaining the UK's contribution to these capabilities, that we should find a way of achieving that goal and be able to future-proof that as new capabilities are developed.

The Chair: This morning I heard Baroness Manningham-Buller, who is a former member of this Committee and a former head of MI5, of course, expressing great concern and the impact of no deal.

Sir Mark Sedwill: Yes. I did not hear, it but I have seen a brief read-out of it.

The Chair: She was very clear about it.

Sir Mark Sedwill: She expresses it very well, as you would expect.

Q42 **Lord Harris of Haringey:** Can I ask about no deal? The issue highlighted by the Institute for Government might have been at the end of the transition period, but if there is no deal we move into that territory at the end of March. You will have seen the *Sunday Times* article yesterday: "UK ready to declare martial law to avert no-deal Brexit chaos". I assume that the Government have been carrying out civil contingency exercises, led by the Civil Contingencies Secretariat, to prepare for such scenarios?

Sir Mark Sedwill: Thank you for giving me the opportunity to put on the record that the martial law story is complete nonsense. I genuinely have no idea where it came from. I do not know who briefed it, but it is complete nonsense. I am grateful for the chance to say that, and that might well be the headline from this hearing.

Lord Harris of Haringey: Presumably the *Sunday Times* was using "martial law" as a proxy for the implementation of emergency powers under the Civil Contingencies Act. Would there be emergency regulations?

Sir Mark Sedwill: Part 2 of the Civil Contingencies Act, which has never yet been put into effect, permits Ministers to issue instructions through an Order in Council. They have to be laid before Parliament within seven days. Parliament, if it is in recess, has to be reconvened within five days.

There is an affirmative resolution, renewable after 28 days, et cetera. It is a very tightly supervised set of powers that enables the Government, in a genuine emergency, to react. Some of that arose from concerns about the fuel protest, foot and mouth, and other civil contingencies before. The Civil Contingencies Secretariat is involved in no-deal contingency planning. That is because we need the skills and planning techniques that we use for all sorts of contingencies. It is just contingency planning.

There is no expectation that we will need to employ Part 2 of the Civil Contingencies Act, and were we to do so it would be done only because, for example, we discovered that some secondary legislation had not gone through or there were areas where the powers were unclear and we needed a bridging solution until Parliament was able to act in the normal way.

At the moment there is no plan to use that, and it certainly does not involve anything as lurid as the use of the Armed Forces in the way described in those articles.

Lord Harris of Haringey: I assume that the *Sunday Times* was reading the Act, which states that the emergency regulations may make provision of "any kind that could be made by an Act of Parliament" or by the exercise of the royal prerogative, so it is very broad.

Sir Mark Sedwill: It is broad, but that is why it is also very limited by the checks and balances of Parliament itself having to approve it after a very short period.

Lord Harris of Haringey: So those parliamentarians who believed in the Easter Recess should not make expensive foreign travel plans.

Can I clarify the point, because as I understand it, the relevant section, Section 19(2), lists a series of things, including, "disruption of a supply of money, food, water, energy or fuel". We had the strange exercise in Kent with 100-odd lorries. I think it was meant to be 150 vehicles, but only 89 or something turned up. Was that part of the process of seeing what would happen and whether there would be a disruption in the supply of food, energy, fuel or anything like that?

Sir Mark Sedwill: At the risk of sounding like a fictional character, yes and no. It is not related at all to Part 2 of the Civil Contingencies Act. That would be employed only if the circumstances were unforeseen. If we can foresee a particular contingency and there is an obvious potential contingency for the flow of goods across the short straits between Kent and northern France, as we saw in 2015 with the ferry strikes and so on at the time in Operation Stack, for any contingency that you can see you are required to take powers through normal legislation, primary or secondary, to deal with it.

These exercises, including the one to which you refer, are essentially a refresh of the Operation Stack that we saw in 2015. It is about managing the flow of goods in containers into Dover and Folkestone and back again, were there to be any disruption as a result of no deal on trade across the short straits. That could be by for example the EU imposing customs checks that would essentially clog up Calais, Dover, Folkestone and Coquelles.

Lord Harris of Haringey: This would have been the disruption of facilities for transport that was predictable. That essentially is what was being looked at in the Kent exercise.

Sir Mark Sedwill: Yes, exactly.

Lord Harris of Haringey: Were Ministers and other people reassured by the outcome of the Kent exercise?

Sir Mark Sedwill: That was only a specific element and it was not a full exercise. It was just to look at a particular facility to hold container lorries, which was a lesson that arose from Operation Stack in 2015. As you will recall, the motorways had to be closed because they had to hold all the container lorries on them. We decided after that that we needed to find additional facilities in order to be able to hold container lorries and then manage the flow through Kent. That particular mini-exercise, if you like, looked at one of the holding facilities. It was not a complete exercise of the whole operation.

Q43 **Lord Harris of Haringey:** I have one final question. Obviously we are in

a period of uncertainty about whether there will be a deal, no deal or what is going to happen. One of the consequences is that the clock continues to tick. How much time do you need, if for whatever reason we end up without a deal, to put in place all the arrangements that will not require you to use the Civil Contingencies Act in the event of no deal?

Sir Mark Sedwill: I would say two things. First, we cannot fully mitigate all the consequences, not least because many of those would depend on action taken by others—the EU, but also other international partners—and how they react to no deal, were that to happen. We are doing all the contingency planning that we can. There are constant meetings, and we have run exercises and so on in order to mitigate as best we can the consequences. However, we cannot mitigate them fully, and there would be a significant economic and indeed logistic impact immediately afterwards and then over the subsequent months.

A great deal will then depend on what we are able to achieve in agreements with the EU either to mitigate the consequences or to put a new deal in place. It is not so much how much time we need, because we are already planning for it. We are already communicating with businesses, and in August last year we put out a hundred or so technical notices in order to try to ensure that the economy as a whole—business and citizens—are as well prepared as they can be. A lot of that is about communication. As the Government we must do our part, but a lot of it is about third parties, whether they are businesses, or citizens here, or other Governments.

Lord Brennan: As a lawyer looking at the Civil Contingencies Act, it seems pretty clear at first sight that martial law falls within the powers which this Act supposes might be exercised depending on the circumstances.

The article in a national newspaper yesterday will, I have no doubt because I travel a lot, also be on the front page of a lot of foreign newspapers today. Your acerbic reply that the suggestion in this article about martial law, if I have the words correctly, was complete nonsense was, I presume, a considered reply.

It would be absolutely essential, if I may say so, for you to repeat it for a Government Minister or even the Prime Minister so that they are clear about the position on this. Every time I arrive in a foreign country on a business trip, within an hour or two we are talking about Brexit. It would be moving from disbelief about Brexit to, quite frankly, shock about martial law if that was the second question I had to face on future trips. Something has to be said and done about this—clearly, publicly and quickly.

Sir Mark Sedwill: Indeed. That is why I am grateful for the opportunity to do so here. I am before a very distinguished Committee of people who understand these issues. I am speaking as the Cabinet Secretary, and I am telling you that the story about martial law, which I am sure is faithfully reported, and I make no criticism of the journalist, is nonsense.

You may tell anyone, European or otherwise, that that is the Government's position.

The Chair: The Committee would be interested if you could let us have a little more information in writing after this session about some of the exercises that have been undertaken.

Lord Hamilton of Epsom: For martial law, do you need to have an Army, and is it right that the number of soldiers whom the Army might be able to release is 15,000? How much martial law could be imposed with those sorts of numbers?

Sir Mark Sedwill: There is a series of hypotheses in that.

Lord Hamilton of Epsom: No, there is not. I believe that 15,000 is the correct figure.

The Chair: I understand that this is a question you may not want to dwell on.

Sir Mark Sedwill: I am genuinely surprised by how much time even this Committee is spending on this issue. There are no plans, there has been no conversation, and there is no intent, no planning and no contingency planning for the use of the Army in that way.

Lord King of Bridgwater: Quite right, end of story.

Q44 **Lord Powell of Bayswater:** Let us leave martial law and Brexit for a moment and get back to the more serious stuff.

Perhaps I may start with a slightly philosophical question. Last year when you came before us you talked eloquently about how the threats are intensifying and diversifying. The 2018 NSCR report said that the challenges were becoming still "more complex, intertwined and dangerous ... as the world has become more uncertain and volatile".

Do we face a future of unrelieved gloom with ever-intensifying threats? Will you be coming before us every year with the rhetoric pushed up a further notch? I just wonder sometimes; when you think about it, do you think that perhaps the real risks now are actually rather less than they were in the Cold War era?

Sir Mark Sedwill: You make a very good point; one should remember to take a step back and look at the overall nature of some of the threats and challenges that we face. I am fundamentally an optimist, but I think the global trends reinforce that optimism. There are fewer people living in poverty than ever before, global growth is being driven ahead, and globalisation is largely a force for good, as is technological change et cetera. But some people are left behind—we must address that through social policy and so on across the world—and there are people deeply opposed to these positive trends who seek to disrupt them.

Inevitably at a national security hearing one tends to focus on the threats and challenges, but I agree; I do not think that we are at one minute to

midnight in the way that was undoubtedly the case for periods during the Cold War. We are in a more complex world now. The threats are undoubtedly more complex and fluid; they change faster and in some ways, therefore, they are harder to deal with.

I spoke to one interlocutor who said, "It looks as though you want to take us back to the Cold War". This was after Salisbury. I said, "Well at least we all understood the rules". Nobody wants to be back in the Cold War, but at least there was an equilibrium to that period where the rules, doctrines and mechanisms to diffuse a potential crisis—certainly after the Cuban missile crisis—were well understood.

One of the big challenges in the 21st century is the ambiguity and complexity of the threats that we face. But I think your basic point is spot on. I remain fundamentally optimistic about the future.

Lord Powell of Bayswater: Well, we did win the Cold War.

Sir Mark Sedwill: Indeed.

Lord Powell of Bayswater: Communism is no longer a threat, so threats disappear as well as stay on the agenda.

Coming back to the six principal challenges which the Government identified, you said last time that the two that worried you most were Russia and the terrorist threat. Is that still the case 12 months later, or have your, or the Government's, perspectives changed a bit?

Sir Mark Sedwill: No. I think those two remain the most acute. Having said that, it is worth using my answer to highlight a threat that has been there for a very long time, the chronic threat that arises from serious and organised crime. It costs the economy more—at a rough estimate, £35 billion to £40 billion per year—and it kills more people through its effects than either of the two "traditional" acute national security threats. But the malign state threat, principally from Russia, and the terrorist threat must always remain at the front of our minds until we have seen to them.

Q45 **Lord Powell of Bayswater:** How seriously do you take the fact that some countries, including one of our principal allies, have rather taken against international institutions such as NATO? Is it making our lives much more difficult in combatting these threats?

Sir Mark Sedwill: There is a loss of confidence in the rules-based system generally, which is not just between countries but in some cases within countries as well; there are constituencies within countries that are much more sceptical about some of these institutions than in the past.

That is a cause for concern, because of the threat to the global rule of law at the heart of it. But then, the broader rules-based system, with co-operation on climate change and on other major challenges, suits a country such as the UK, which is the most globalised in the G20—a medium-sized country with a global footprint, best operating in concert with others. That system suits us very well. I think the superpowers that

sometimes believe they can take a more à-la-carte approach will on reflection realise that it suits them very well, too.

- Q46 **Lord Powell of Bayswater:** Lastly, do you think it is realistic to talk about prioritising some of these challenges, or do we simply have to deal with any that arise, so that talking about priorities does not really work?

Sir Mark Sedwill: In effect, I agree. We have to deal with all the security challenges that we face. I remember, although I cannot recall whether it was in this Committee, a conversation where the question was whether terrorism is worse than the strategic threat.

The answer was that national security is about keeping the country secure, and you deal with the challenges you face. As a sportsman might say, you play what is put in front of you; you just have to deal with it.

However, the question about prioritisation is still very important, partly because—to return to a point that Dr Lewis touched on earlier—it has driven us it has towards trying to generate more capabilities that can be deployed flexibly.

In respect of Salisbury—an act of state aggression against the UK and individuals in the UK with a reckless disregard for the collateral damage to other people that could have arisen—the investigation was pursued using the same techniques that we have developed in counterterrorism work: the forensic approach, the use of data, the CCTV footage that you will have seen images from and so on, and the fusion—or integration, as I do not want to overuse that word—of intelligence with law enforcement and investigation all arose from techniques that had essentially been developed in counterterrorist operations. They would probably have been much less mature and effective had we tried to develop them from scratch to deal with an incident such as Salisbury.

I use that as an example, but the basic point is that we need to be very thoughtful about capabilities that can be deployed against a range of threats, and to have the agility to do so, particularly as we move into the cyber era. That is an important part of our prioritisation work.

The Chair: We move on to serious and organised crime.

- Q47 **Lord King of Bridgwater:** Before we cheer up too much, I pick up what Lord Powell was talking about. It seems to me, having lived through and been involved in dealing with Cold War challenges and the nuclear threat that we faced, that the challenges we have to deal with now are in another dimension. These are underpinned by a population explosion in certain parts of the world and the mass migration of people, which will continue, certainly out of Africa, without any prospect of alleviation.

We can see what is happening in the United States, and look at the number of failed states there are now, the Sunni-Shia conflict that shows no sign of easing, and the problems of water supply in certain countries, which could provoke mass migration, for example in a country like Iran. We are in a continuing situation, without much prospect of life getting

much easier because of the enduring scale of global challenges. I do not expect you to answer that. I just wanted to deal with the slight spread of optimism that was breaking out around the table.

Ben Wallace said that serious organised crime, occasionally referred to as serious and organised crime, is the deadliest and most damaging national security threat faced by the UK, and it is interlinked with the new cyber, social media and other issues. Do you agree that this is the most serious threat?

Sir Mark Sedwill: One should be a bit careful about ranking, but it has a bigger effect on our economy and kills more people than any of the others. So in that sense, absolutely I agree. Of course, one must not disregard the latent strategic threat posed by a massive hostile state with a huge nuclear arsenal, or indeed a terrorist threat that, broadly speaking, we are successful at suppressing. That has different manifestations as well.

The issue with serious organised crime is that its diffused nature means it cannot be suppressed in quite the same way as when one is dealing with a state threat or terrorist threats arising from particular and well-organised groups. It is a chronic rather than an acute problem. I would not want to overdo that description, but you will understand the point. As a result, though, more of our citizens are damaged by it than by the other threats. That is not because the threats are less; it is because we are able to suppress them because of their nature.

Lord King of Bridgwater: One of the complaints now, as you will know from your Home Office background, is about the reduction in police numbers. The police face extra challenges, for example in relation to the new social media/cyber issues. There was one statistic in the paper today; even with the new automatic locking in cars, 100,000 cars were stolen last year in this country.

That must be linked to some organised crime gang that has a very efficient transport system that gets the most expensive cars, agricultural tractors and other things away to other countries in a hurry. Is the challenge on the police and Home Office side much greater than has been assessed?

Sir Mark Sedwill: It evolves; it shifts. If we look at the overall crime statistics, we see that police recorded crime, in particular violent crime, has ticked back up, but it is still significantly lower than it was 20 or 25 years ago. Part of that is demographic, part of it is designing out opportunities for crime, and part of it is do with the wave of heroin addiction having passed.

It is, or at least was, much harder to steal a car than it was 25 years ago. On my very first day at the Home Office, I met the team working with the big smartphone companies. I thought, "Why does the Home Office have an iPhone team?" They were talking to Apple and the other smartphone companies about how to improve the security of those valuable assets. Now, if secured properly, a smartphone is useful only for spare parts,

because you cannot get at the real value on it, which is the data; if it is not secured properly, of course, you can. All that has changed. They have been trying to design out some of those vulnerabilities.

However, you are right that crime evolves. Criminal networks are agile and usually evolve more quickly than the government capability to stay up with them. Cybercrime is evolving particularly fast. People for example now have access to appalling images of child sexual exploitation from elsewhere in the world that simply would not have been available to them earlier. Of course, that has an accelerant effect on people who have this particular proclivity. There are areas of crime, and that is one of the most troubling, where the development of the cyber economy has some damaging effects.

Overall, to pick up Lord Powell's point, the development of the digital economy is a huge positive, and this country is well placed to deal with it, but there are threats within that and we have to sharpen up our capability, in partnership with the big service providers, to deal with them.

Q48 Lord Harris of Haringey: The *Serious and Organised Crime Strategy* announced several new initiatives. Where did the money come from?

Sir Mark Sedwill: Mostly, it was within the resources available. For example, there might a need for additional resources for the National Economic Crime Centre, which would be a matter for the spending review, but essentially there was some reprioritisation.

Lord Harris of Haringey: In the Home Office?

Sir Mark Sedwill: Not just the Home Office. The Serious Fraud Office and other agencies also contributed, but it was within the law enforcement family.

Q49 Lord Harris of Haringey: We have been told that the Association of Police and Crime Commissioners has raised concern about the capacity of the whole system, and about the regional organised crime units in particular and whether they are adequately supported. I declare an interest as doing some work with the National Crime Agency, chairing an independent reference group. We have been briefed on some of the decisions that have to be taken in the National Crime Agency about prioritising certain types of work, which I suspect the general public would assume were a very high priority.

Under how much strain is the whole law enforcement system in these circumstances? If the extra initiatives are coming from within the law enforcement system or closely related allies, is there really enough in there?

Sir Mark Sedwill: I would distinguish between capacity and capability. The National Crime Agency was designed deliberately to bring to the effort against organised crime the kind of capabilities that, for example, MI5 has brought to the effort against the terrorism threat. It is developing many of the same high-end capabilities, in particular

intelligence-led investigations, the use of big data et cetera, that are necessary to combat modern forms of crime.

There is a challenge in a distributed policing system, with 45 police forces throughout the United Kingdom, of marrying the top-down and bottom-up at below the national level, but it should still be in units that have the critical mass to be able to develop and deploy capabilities of the kind that are necessary against the most serious crime. That is how the National Crime Agency and regional organised crime units are trying to integrate their effort more effectively.

There has been some improvement, but there is a long way to go. When I first went to the Home Office, I remember visiting one region where the NCA regional office and the regional organised crime unit, which was the bottom-up amalgam from several forces, essentially had no relationship. They almost operated as rivals. That picture is transformed now. They are mostly colocated, they run joint investigations, the hand-offs are much better, and they are developing joint capabilities. That is a constant effort.

There are great strengths in a distributed policing system—it is more responsive to local need—but there is always a balance to be struck between the needs of a system that is responsive to communities and the requirement for critical mass against the most serious crimes. That is a systems question as much as one about capacity and capability.

Q50 Lord Hamilton of Epsom: Finally, we have got on to a question about Russia and China. Let us split them and start with Russia.

The reaction to the Skripal poisoning was that we sent an awful lot of diplomats back, but did not the Americans do much more damage to the Russians by making life very unpleasant for their oligarchs—for instance, Deripaska had to lose control of his aluminium company—and would not the financial sanctions from the US have hurt them much more than anything that we managed to do?

Sir Mark Sedwill: The US's financial sanctions also have the benefit of scale because of the nature of the United States. We should not underestimate the direct impact of the expulsions from this country on the capability of the Russian intelligence services here. We essentially dismantled their official network, which has had a significant effect. The multiplier effect of getting 27 other countries to expel more than 150 diplomats had an operational effect in some cases and certainly a political and diplomatic effect. The American financial sanctions have certainly had an impact.

We have continued to press the EU, because our sanctions regime remains for now within the EU, both to maintain the sanctions that were put on Russia over Ukraine—as you will be aware, some countries have been seeking to dilute those, but so far we have managed to hold the line—and to list others, so the two culprits of the Salisbury attack, Mishkin and Chepiga, are now listed in their real names as well as their aliases for EU sanctions.

Once we are outside the EU, we will have more freedom to set our own sanctions regime, but that would just be the UK and it would not have the mass effect of the EU as a whole, so we will always want to work with others. We have a continuing programme, which goes to the point Mr Tugendhat raised earlier, of trying to ensure that any criminal activity, whether by Russians or others, is properly investigated and rooted out of the UK. We have a particular focus on that in the City of London.

Lord Hamilton of Epsom: The Magnitsky powers were—

Sir Mark Sedwill: As you know, the Magnitsky powers were taken under the 2018 sanctions Act. We are talking to the Commission about the degree to which during the implementation period, assuming that we leave as planned, we can apply those sanctions in addition to or outwith the EU sanctions regime during the implementation period. That discussion is still live. We will certainly be able to do so beyond the implementation period once we have an independent sanctions regime, again assuming that everything goes according to the plan that has been set out.

Lord Trimble: Are we fully lined up on the Magnitsky powers and implementing them to the level of publicly identifying people?

Sir Mark Sedwill: So far, we are still bound into the EU sanctions regime. That is as I understand it, but I will write if I have this wrong. We have taken the powers under the sanctions Act 2018, but we cannot commence them until we have an agreement with the EU, because we are still bound by EU sanctions.

Lord Trimble: Sorry, but I think you should just go ahead and implement them on their own account. The fact that we have not yet fully implemented the Magnitsky accord is sending a lot of bad messages to people. Going ahead and implementing it ourselves would also be a way of pointing the finger at others who are not doing their bit.

Sir Mark Sedwill: Agreed. That is why the powers were taken, but we are still bound by EU law. Sanctions are an EU competence while we are still a member.

Lord Trimble: I think you should be in a position to change that pretty quickly.

Sir Mark Sedwill: That is why, as I said, we are talking to the Commission about whether we can apply an independent sanctions regime of that kind during the implementation period, when in other areas we will still be within the EU trading framework.

Q51 **Lord Hamilton of Epsom:** May I come in on China? It strikes me—this point has been illustrated by the former head of GCHQ—that we are somewhat schizophrenic about China. We cannot quite make up our minds whether they are good friends with tons of money who should be investing in our infrastructure, or potential enemies who will put components in everything so that they can bring everything to a grinding

halt if ever we have a serious argument with them. How are we going to resolve this?

Sir Mark Sedwill: I would not describe it in quite such a binary fashion, as you can imagine, but you clearly make a valid point. China is a phenomenon; the spectacular growth of the Chinese economy is completely changing the global order. Essentially, the 21st century's world economy and global security will be determined more than anything else by the rise of China, how the US and China manage their relationship and how the rest of the international system adapts.

Any change of that scale has both pluses and minuses. We try to take a calibrated approach to this. Of course we want to benefit from China's global economic potential; the last Prime Minister set out the policy of a "golden era", which was refreshed by this Prime Minister when she went to China last year. But that does not mean that we shy away from dealing with some of our security concerns, including cyber espionage and so on.

We want a mature and strong enough relationship with China that we can deal with the difficult issues as well as talking about issues of mutual benefit. We are still developing that, but it is the objective.

Lord Hamilton of Epsom: You seem not to be looking to China to build one of our power stations. Are you sad or relieved by that?

Sir Mark Sedwill: Neither. As you know, BEIS has put out a Green Paper which is about ownership and so on but, with a lot of modern technology, the key point is about standards as opposed to ownership. For us to be confident of our national security protections, we need transparency and standards about the nature of other countries' involvement, particularly in sensitive areas of our economy. That puts a more sophisticated lens on it than the traditional lens that was simply about ownership and control, particularly of strategic sectors.

The nature of integrated supply chains and the ability of one part of a supply chain to exploit any vulnerabilities elsewhere are all now critical to protecting the economic security of a country. They are probably more significant than the number of shares and so on in particular companies. It is the integration of the economy that is probably the big feature.

Q52 **Baroness Healy of Primrose Hill:** With respect to public resilience, what progress have you made in establishing the National Security Communications Team?

Sir Mark Sedwill: That has now been established. It is essentially on a growth path—it is only about a year or so old—but it is operating. What we are trying to do is less about the British public, although some work is on that. Much of its work is focused on strategic communications elsewhere.

Picking up on some of the earlier points, improving cyber resilience of the individual citizen is a job for the National Cyber Security Centre and its

communications team. We need to make sure all that is aligned with other messages, but it is seeking to do that through its communications to citizens and businesses.

There will always be a big role for communications, particularly in resilience, across the board. With this communications team, we are seeking to use communications as part of our influencing and shaping suite of tools, as well as for track one diplomacy, et cetera, in particular for dealing with some of the upstream issues. That will probably be its primary focus as it develops.

Baroness Healy of Primrose Hill: So it is part of your fusion strategy.

Sir Mark Sedwill: Exactly.

Q53 **Lord Harris of Haringey:** What are you learning from allies in Scandinavia and the Baltic states about their experience of building the public's resilience to malign information operations? The Swedish MSB has a special unit to combat that.

Sir Mark Sedwill: We are talking to several allies about exactly this: disinformation and the risks to the democratic system. Investigations are separate; they are dealt with by the Electoral Commission and the law enforcement authorities. But we are talking to others who have experienced this kind of intrusion about the lessons they have learned and how to build resilience.

You are right that the Nordic and Baltic countries are advanced in their thinking about this. In Helsinki, for example, we contribute to a centre—there are British staff—that deals with some of these threats; it is a NATO-based centre even though Finland is not a member.

Lord Harris of Haringey: As part of the fusion doctrine, will the DCMS be looking at these issues in the course of its work on online harm?

Sir Mark Sedwill: It will, yes, exactly.

Q54 **Lord Harris of Haringey:** May I slightly change the subject? The NSCR talks about building a set of resilient standards that set expectations, help local resilience forums to assess themselves and act as a basis for assurance and continuous improvement. How far has that got?

Sir Mark Sedwill: I could write to you with the details. It is in progress. To be candid, it is uneven across the country. We are using some of the contingency planning on Brexit but also contingency planning for wholly different issues. You will be familiar, for example, with the contingency planning that has been done for major health-related outbreaks such as pandemic flu.

We are using the exercises for those kind of contingencies to try to drive integration and capability across the country. I can come back to you on how we feel that is going.

Lord Harris of Haringey: That would be very useful, thank you.

Q55 Dr Julian Lewis MP: We are on the home straight now. I would like to slip in a couple of disparate points if I may.

Sir Mark Sedwill: Are you lulling me into a false sense of security?

Dr Julian Lewis MP: I hope so. On the question of strategic communications, when you are trying to influence groups in a competitive way and an adversary is operating against you, as is the nature of those we face today, do you accept that often the message is less effective when it seems to come from the Government than when it comes from intermediaries and opinion-formers? Are you taking that into account in your strategy?

Sir Mark Sedwill: The short answer is yes. You will understand that in a public forum I do not want to say too much about it, but the point is very well made. It is a significant component of how we approach this.

Q56 Dr Julian Lewis MP: Thank you. On Huawei and China, do you share the very deep concerns expressed by the Defence Secretary, Gavin Williamson, about their possible involvement in the 5G network and, perhaps even more unusually, the concern expressed in a public lecture by the head of MI6 on the same subject?

Sir Mark Sedwill: Of course, they both set out the Government's position. It relates to the point I made in response to an earlier question: our approach to this must be about standards and transparency. We need to ensure that Huawei and any other companies operating within our communications infrastructure do so in a way that means we are confident about the security of that infrastructure.

Dr Julian Lewis MP: On Salisbury, you were heavily involved in the co-ordination of that very successful operation. I think we ought to record our appreciation for that and for getting so many countries to respond in a comradely way. Do you feel that you would have been able to do that job under the present arrangements where effectively the National Security Adviser is having to double up as the Cabinet Secretary?

Sir Mark Sedwill: Yes, because whatever one's portfolio—and as National Security Adviser it is very broad—one has to deal with the biggest issues of the day. Salisbury was the biggest issue of that period.

Dr Julian Lewis MP: Am I right in thinking that you are saving the public purse a considerable amount of money by doing these two jobs for a single salary?

Sir Mark Sedwill: That is why I am not getting two salaries, but I welcome the nudge.

Dr Julian Lewis MP: You can take it that way if you like. It has been suggested to me that perhaps the National Security Adviser post is being held open for one Mr Olly Robbins when we are safely out of the EU. If that is the case, could you put a date on it, as we are all very keen to know when this might happen?

Sir Mark Sedwill: You will understand that I am not going to speculate on individuals.

The Chairman: That is an unashamed bid to steal the headlines.

Q57 **Lord Powell of Bayswater:** I have a follow-up question on the point about Huawei. Do you agree that we do not necessarily have to go along with every detail of what our Five Eyes allies say, given that we have a much longer experience of doing business with Huawei? The technical people who deal with Huawei exclude it anyway from the more sensitive aspects of anything they do. It is not immediately apparent that Huawei is in a position to be much of a threat to us.

Sir Mark Sedwill: That is a very good point. We have had an arrangement with Huawei since, I think, 2010, where there are air gaps, as you suggest, within some of the governance. We also have unrivalled insight and scrutiny into the systems that they deploy here in the UK. That puts us in a different position from some of our allies and enables us to take the more targeted approach that I have described; we are looking at standards and transparency rather than at involvement in a binary way.

Dr Julian Lewis MP: However, the Intelligence and Security Committee pointed out in a 2013 report on Huawei that there are over 1 million lines of code. It is impossible to survey them all properly is it not?

Sir Mark Sedwill: You would have to ask an expert, but I think the experts believe that we have a good grip and understanding of this. The issues are about the quality and standard of the capability and ensuring that it meets all our requirements.

Dr Julian Lewis MP: On another topical point, am I right in thinking that no COBRA meeting was called when the drone incident at Gatwick occurred? If that is the case, why was it not?

Sir Mark Sedwill: We do not usually comment on individual COBRA meetings in public fora, as you will understand. The Gatwick incident was largely handled as a law-enforcement matter at the time, but with some support from other agencies.

Dr Julian Lewis MP: Okay, although one might have thought that it was tailor-made for such a meeting. Finally, on the modernising defence programme, you were still involved in the capability strand of that. I believe you chaired it. Is that right?

Sir Mark Sedwill: Yes.

Dr Julian Lewis MP: Was there any reason why, other than the fact that we are still waiting to know what sort of funds will be available in the long term, the MDP did not include any significant capability decisions?

Sir Mark Sedwill: The MDP probably did include capability decisions; they were about modernisation and mobilisation in the immediate future,

and they set out a perspective for the future. But the big decisions have to be accompanied by resource choices, and that needs a spending review.

Dr Julian Lewis MP: So we are in suspension until we get to that point and know what the budget will be.

Sir Mark Sedwill: As you will know better than I, sufficient additional resources were found for the MoD for the short term, for 2018-19 and 2019-20, but those are not strategic decisions for the future.

Dr Julian Lewis MP: That is right. A lot of plans for the future are based on the thought that we are going to achieve billions of pounds' worth of efficiency savings in the MoD. Is there a danger that these plans have been overpromised and oversold?

Sir Mark Sedwill: I am trying to recall the name of your Select Committee's report, which made that point rather pithily.

Dr Julian Lewis MP: It was called *Gambling on 'Efficiency'*.

Sir Mark Sedwill: Exactly. To be fair to the MoD, we have ensured—I think the Defence Secretary would say this if he were here—that, while in the past there has been a degree of ambition in it, the efficiency programme ahead has been through a great deal of detailed scrutiny. The MoD is confident that it will be able to deliver. This is not just aspirational.

Dr Julian Lewis MP: Finally, from me at any rate, the MoD has a request on the table for an additional £360 million for the defence transformation fund as part of its bid for the next spending review. Are you likely to proactively support it?

Sir Mark Sedwill: I will be proactively involved in helping to make the right assessment, but in the end it is a decision for Ministers.

Q58 **Lord King of Bridgwater:** May I add one thing about Huawei? The issue of course is whether we let another country have access to the most sensitive areas of our economy.

Sir Mark Sedwill: Indeed.

Lord King of Bridgwater: There is an interesting story in the papers today about our placing large contracts with Amazon Web Services for the storage of data. Has that been properly checked over? I am not talking only about Amazon Web Services, which is a very responsible, successful company. But there is a degree to which these new fields, for instance in data storage, may allow other countries to be responsible.

Sir Mark Sedwill: We build into the contracts the protections that we think are appropriate. Of course, we have always had a very open economy for investment as well as for our own trade. We welcome foreign investment, including in government procurement where it is appropriate. We build in protections, particularly in this area of data, not

least because we are conscious of an issue of trust between the citizen and the state.

This is not about national security data so much as about our own personal data. The state holds a great deal of that on all of us in different places. We are very conscious that we need to build in all the appropriate protective mechanisms to give us all, as citizens, the assurance we need that the data is being properly stored. National security issues are an essential subset of that broader question about the proper handling and protection of data.

Lord King of Bridgwater: So what is the answer? Is it checked over?

Sir Mark Sedwill: It is part of the contractual process. As companies bid for this, they have to provide assurances about the data standards. There is an assurance process in place in those contracts—it varies by department and contract to contract—to ensure that they are meeting those standards.

The Chairman: Thank you very much, Sir Mark. You have been very generous with your time. There are various odds and ends, statistical queries and so forth that we might follow up with you. You have also been generous in offering to write to us on one or two issues. That is very helpful.

Sir Mark Sedwill: Thank you all.

The Chairman: I remind the Committee that we want a brief word about future programmes.