

Thursday, 10 June 2010

SIR JOHN SCARLETT

THE CHAIRMAN: I'll open the session once again with a welcome, Sir John Scarlett. I will not repeat for the third time the opening remarks, but come straight to questioning.

This session could last in principle up to three hours, but I think two hours is what you had in mind. We will take a break.

Just to recap, it was in August 2004 that you moved from being the Chairman of the JIC, where Iraq took up a great deal of your time, to become Chief of the Secret Intelligence Service.

What was your involvement as Chief in relation to Iraq in 2004? How far were you involved with SIS operations after the invasion?

SIR JOHN SCARLETT: Well, Iraq was a major area of service activity.

THE CHAIRMAN: Yes.

SIR JOHN SCARLETT: Almost all my time as Chief. It was reducing towards the end in terms of the intensity of operational activity, and certainly from August 2004 I dealt with it like I dealt with any other major area of service activity, both representing the service on the issues which arose out of our deployment there, within Government, and with major allies who were involved with it, and in terms of taking a responsibility for our operations, our staff and our intelligence. That was my job.

So, given the priority that it had, I was deeply involved for almost all my time as Chief.

THE CHAIRMAN: Were there expectations, because of the

relationships you had formed with ministers and with very senior officials as chairman of the JIC, that in some sense that would continue in your different role? Did they look to you first as Chief for Iraq matters?

SIR JOHN SCARLETT: No, I don't think so. My memory is that it was very quickly understood that now I was in this different job and I had a different set of responsibilities. The only way in which it might have manifested itself would be that if I was at a big ministerial meeting or a DOP or something, there was, perhaps, an instinct to sort of turn to me for an intelligence readout at the beginning or near the beginning, just because that was the autopilot reaction. But I was very conscious of that, and I hope that I didn't fall into that position.

The JIC chairman, William Ehrman, for example, particularly in that first year, was active, and he was completely on top of his brief and he was able to speak to the assessments.

THE CHAIRMAN: Could you say a little about the distinction between your role as Chief as SIS in relation to the policy implications of intelligence and your former role as JIC chairman in protecting the assessments from the policy demands?

SIR JOHN SCARLETT: Well, of course, there are two separate responsibilities for those two jobs, but they revolved around the same principle, that intelligence is on one side of the line and policy making is on the other. I thought about this of course a lot, and I do believe strongly that I was both aware of that throughout both jobs, actually, and that I stuck to it.

In the JIC context, clearly it was a question of keeping the assessments as assessments based on the intelligence input from wherever it happened to come, and separate, if you like, from policy. Indeed, during that period, we didn't even have policy implications on the assessment papers, although we had had that

earlier on.

As Chief, the issue was overseeing the integrity of the intelligence output, and indeed the output of the service in other areas of secret operations, [REDACTED] but keeping that separate from the policy making; but at the same time, of course, being aware of what the policy making was and what was in the minds of the policy makers, because clearly you have to be aware of that. Otherwise you don't what the requirements are for the intelligence.

The fact that I was experienced in Whitehall, knew all the people who were there, clearly was relevant. I didn't have to get up to speed in getting to know them. I already knew them.

THE CHAIRMAN: Is there a distinction in that pair of experiences you had between the quite formal processes of the JIC, including its chairman's interactions with senior ministers and senior officials on the one hand, and the role of the Chief, who has direct access to the Foreign Secretary and the Prime Minister, but outside the formalities of JIC processes? Is there a distinction there?

SIR JOHN SCARLETT: There's a slight distinction. The relationship for the JIC chairman was quite formal -- was formal, and one was always operating within that. But of course there was a much narrower range of issues to discuss and a narrower set of responsibilities on which you were interrelating with policy makers.

The Chief, because of the range of SIS operations, would get involved in discussions about a whole mass of things. So there's a risk of informality which might, you know, lead to inappropriate behaviour. But I think by the time you get to a job, you know jolly well that exists. So you have to manage your behaviour accordingly.

A key point, obviously, is to make sure that the diary is clear, when meetings happen properly listed, and the contents of discussions are recorded. I think the record will show that that happened in my time.

THE CHAIRMAN: That last point is important in that in your time as Chief there is quite little in the way of recorded discussion.

Now, most often -- I'm asking a question -- it would not have been your meeting. It would have been the minister's meeting or senior official's. We haven't been able to find very much in the way of recorded discussion. Does that surprise you?

SIR JOHN SCARLETT: Well, at the risk of directing you to a whole lot of new records that you haven't yet seen, every single meeting that I had with a minister was recorded internally¹.

THE CHAIRMAN: By the private office of the minister?

SIR JOHN SCARLETT: Yes, without exception.

THE CHAIRMAN: Okay. Just to round that off, on returning from a significant meeting, a dialogue meeting with the Foreign Secretary, say, or the Prime Minister, would you have then done a debrief to your own staff?

SIR JOHN SCARLETT: Well, the normal habit would be I would come back and immediately, or almost immediately, I would dictate, because that was just what I was used to doing, the main points or key points from the meeting, and the record would then be done, and then I would check the record, and that was it.

THE CHAIRMAN: Yes.

¹ Witness's comment: This is meant to refer to 'internally' in SIS. I believe the minister's Private Office to have recorded as well, but cannot be certain.

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] that would certainly be one of the top three or four areas of allocation.

SIR MARTIN GILBERT: So the others at the top were in a similar band?

SIR JOHN SCARLETT: With the big exception of counter-terrorism. So counter-terrorism was -- well, it depends how we defined it, but even at the height of the Iraq issue, counter-terrorism was by far and away the biggest absorber of resource, [REDACTED]
[REDACTED]

SIR MARTIN GILBERT: What areas did you feel that the service could best add value to our effort in Iraq?

SIR JOHN SCARLETT: Well, pretty well everything. We had to do -- we were involved in -- first of all, of course, the most basic function is just producing intelligence on the different requirements that you have. Now, in a situation like Iraq, a major counter insurgency situation, the intelligence is a very demanding set of requirements. You have to meet the political requirements, lots of political instability and complication, elections, negotiations and so on.

There's activities of the insurgents and the development of the insurgency, but then of course the insurgency was a multifaceted thing. So completely different challenges were presented as to whether you were trying to cover the Sunni insurgency or the Shia and militias insurgency.

Foreign interference. Clearly Iran, from the beginning, was a major issue. [REDACTED]
[REDACTED]

[REDACTED] And of course actual, if you like, not just political

type intelligence on the activity of the insurgents, but their operational activity as well, and in particular countering specific terrorist attacks or insurgency attacks, either by preventing them or by supporting military operations which were designed to detain or arrest the perpetrators. So, in other words, support for strike operations.

So in an active insurgency, where British military forces are involved on a large-scale, that's a very wide range of intelligence activity.

So, you know, we were clear, and in fact I was always clear, that we had to be focused on that. That was our first responsibility because if we didn't do that from the British side, then in a sense nobody else would be. So we had to do that.

[REDACTED]

Then of course, on top of that, in this particular situation was the additional issue, particularly at the beginning -- well, in fact really only at the beginning -- which was the bringing

to an end, if you like, the search for WMD and the support for the ISG and so on. But that was effectively over by December 2004.

SIR MARTIN GILBERT: In terms of priorities, how did the Prime Minister interact with you with regard to his sense of priorities? How did you sort of manage his expectations?

SIR JOHN SCARLETT: Well, we were responding to the requirements placed upon us, both from the JIC process, from the Foreign Office, from the military, from Number 10 and the Prime Minister's office, and Nigel Sheinwald throughout this period. I was interacting the whole time with Nigel. So I knew what the week by week, if you like, priorities were, although what I have just described as a standing set of requirements, and we were operating to it.

Now, occasionally, you might be told the Prime Minister was especially concerned. [REDACTED]

[REDACTED]

Looking through the papers, I was reminded that I got that message from time to time, but I would be thinking, "Fine, but we are doing that".

Or that he wanted a particular focus on Iran. Throughout this period when he was Prime Minister, Mr Blair, he was always very focused on Iranian activity. But again, we sort of knew that anyway, [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

SIR MARTIN GILBERT: Were there occasions when the intelligence coming to you led you to suggest to the Prime Minister priorities which perhaps weren't on his agenda?

SIR JOHN SCARLETT: I can't immediately think of them. I'm not quite sure of the mechanism through which that would have happened. I would have had to have either written a letter, saying, "Look, this intelligence suggests a completely new area of activity that we're not already covering", and I can't immediately think of that. There may be somewhere, but I can't think of it. Or I would have had to have gone to a meeting with him to say, "Look, I think we need to be doing this, and we are not doing it". But we didn't really often have meetings like that. There were very rarely, hardly ever, one-to-one meetings. It was always a wider group.

SIR LAWRENCE FREEDMAN: There are questions we may want to go into later on about how you organised SIS. I'm just interested in this earlier period.

Did you feel there was a morale problem within SIS as a result of what had happened over WMD, and did you feel there was a credibility problem for SIS in terms of some of the reporting that had been done?

SIR JOHN SCARLETT: Well, of course there was a morale issue, although if you put it like that, it might come across as being bigger and more invasive than it actually was in practice. But clearly there was a lot of unease within the service about what had happened, and in particular about the public criticism, unprecedented really, that the service had had after the Butler Report. That's when the public criticism hit home as far as SIS was concerned. It hadn't really affected the service so much

before then. So I took over in the immediate aftermath of that, when the service was coming to terms with the Butler conclusions. Then, of course, we had a whole programme of work which was designed to respond to those conclusions.

So, yes, the service leadership, not just me, had to have a policy as to how we would deal with this, and in broad terms -- well, my policy was to take advantage of the fact that although, of course, they knew me very well, and indeed they knew that I had been very caught up in all these events, they did know me very well, I knew the service very well, and I knew this subject. So every situation has a plus as well as a minus.

So we immediately -- I and my colleagues -- went into an extended period of consultation where we made ourselves available across the Service, and everybody who wanted to have a chance to come and talk to me and to senior colleagues and talk all these things out. Over a period of a couple of months that's what we did, and then that played into a set of recommendations which came before the Board, both about how to respond to the specific recommendations in the Butler Report, and more broadly how to respond to the issues of service management and leadership and so on, which we concluded were thrown up by what had happened, and also by what we were being told by staff.

SIR LAWRENCE FREEDMAN: I think there are some questions on those later.

SIR JOHN SCARLETT: Sorry, I'm answering the question, because that shows that, yes, we knew of course there was a morale issue, and we were seeking to respond to it.

SIR LAWRENCE FREEDMAN: Just in terms of the relationship with Ministers as well, was that part of the same process of responding to Butler?

SIR JOHN SCARLETT: Of course I remember at the time I was often asked: what is going to happen to our credibility? To which the answer was: we carry on working, and if our work is valid and well founded, then that will demonstrate itself. There's no point going around telling everybody that they have to believe what we report. You are doing your job. We were continuing to run operations across a whole series of targets which were nothing to do with Iraq. That intelligence was going in all the time. Ministers were seeing it. They were making their own judgments, and policy makers were, about the quality of SIS work. If that work was sound, then it was playing its part in that process of continuing confidence. And around this sort of issue, whether it was Iraq or WMD, then, well, at the end of the day it would be the quality of our future work which would be the answer. So just keep at it and, if you like, the truth will out.

The vast majority of my colleagues accepted that as a valid approach, and that's what happened, frankly.

One of the things I said at that time was that, maybe oddly enough, I didn't detect a loss of confidence on the part of Ministers, or indeed senior policy makers. Obviously there were exceptions, but amongst the people who really mattered, I didn't.

SIR MARTIN GILBERT: One more question on priorities. You mentioned that counter-terrorism was in a sense the overriding element.

Was there an overlap between counter-terrorism in Iraq, and how was that handled?

SIR JOHN SCARLETT: Well, from mid-2004, at least, we were conscious of the potential overlap, and there was a lot of work that was done and the thinking that went into anticipating the

move of terrorist activity out of the conflict zone into Europe and elsewhere, exporting terrorism which had been nurtured in the conflict, and there were confident predictions that was going to happen. With one or two exceptions, it never really did, actually. Obviously that's a separate issue.

By and large it never really did. There was, of course, the [REDACTED] Iraqi involvement in the Haymarket bomb and the Glasgow bomb in 2007 [REDACTED]
[REDACTED]
[REDACTED]

The exception also tended to be that there certainly was terrorist activity running out of the Kurdish region into the UK. But that was quite an established thing. We had known about that for a long time, and we continued to work on it.

THE CHAIRMAN: Just pursuing that for a moment, the interface between the, as it were, external, general terrorist activity within the domestic UK, that's a boundary line between yourselves and the Security Service. Did that develop in the period of 2004/2005/2006? You have got the foundation of JTAC, for example, [REDACTED]
[REDACTED]

Did that become more relevant over the period, your earliest years as Chief?

SIR JOHN SCARLETT: In an Iraq context?

THE CHAIRMAN: Yes. Or was it really not Iraq at all?

SIR JOHN SCARLETT: There was a terrorist or counter-terrorism aspect to Iraq, or an Iraqi aspect to counter-terrorism work, as I have just indicated, but it was not the major one in terms of specific operations and specific counter-terrorist operations or investigations.
[REDACTED]

[REDACTED]

THE CHAIRMAN: But not much specific Iraq context in that particular context?

SIR JOHN SCARLETT: I think the only thing I need to be careful about there --

THE CHAIRMAN: Apart from the Kurds.

SIR JOHN SCARLETT: Of course the Iraq War as such, and the whole controversy around it, was undoubtedly a motivator for terrorist activity.

THE CHAIRMAN: In the broadest sense.

JOHN SCARLETT: In the broadest sense, although even that was quite difficult to measure in any kind of mathematical way.

SIR MARTIN GILBERT: If I could turn now to the security situation in central Iraq.

Just before you took over as C, there was a JIC assessment, I think on 21 July, that the attacks in central Iraq had reached a level where the progress on our objectives in Iraq were being very seriously hindered.

What was the SIS view at that time of the causes of the deterioration in the security situation, when you took up your post as C?

SIR JOHN SCARLETT: I don't recall there being a separate SIS view. There was a shared view which was informed by people's

experience on the ground, and of course the intelligence reporting and other forms of reporting, as to what was driving it. By that stage we were beginning -- sorry, I haven't got the assessments in front of me, but we were beginning to -- well, we had been studying it for nearly a year.

Of course, the original assessment and estimate of what was likely to drive a Sunni insurgency, which you can see from the JIC assessments of late 2003, by and large turned out to be correct; that it was the sense of dispossession, both the sense of dispossession of power, the psychological sense of being overthrown, if you like, and marginalised, and also the practical consequences for thousands and thousands of people of being thrown out of their jobs, and such people being concentrated in particular areas. Then on top of that, of course, the rise of the other community, the Shia community, leaving aside the particular issues of Kurdistan, which eventually, by 2006, broke out into open sectarianism. That was not so clear, I don't recall, in the middle of 2004.

SIR MARTIN GILBERT: What were the SIS's contributions to the attempt to improve the security system in central Iraq? What were you able yourself to contribute --

SIR JOHN SCARLETT: In central Iraq?

SIR MARTIN GILBERT: Yes.

SIR JOHN SCARLETT: We were contributing fairly extensively on insurgency and insurgency related intelligence, and here I'll not necessarily just focus my reply on the middle of 2004. If I may, I would extend it slightly more into the period at the height of the insurgency, and the height of the insurgency really happened -- well, I date it to 2006, maybe the first part of 2007.

[REDACTED]

[REDACTED]

But I would add that this was central Iraq and we were not the main players, and the resources we were deploying were minimalist, really [REDACTED]

[REDACTED]

[REDACTED] This was not even our main theatre of operation. We were more focused on the south.

SIR LAWRENCE FREEDMAN: [REDACTED]

[REDACTED]

SIR JOHN SCARLETT: [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

SIR MARTIN GILBERT: Finally from me, the co-ordination of the British embassy on their political agenda.

SIR JOHN SCARLETT: In Baghdad?

SIR MARTIN GILBERT: Yes.

SIR JOHN SCARLETT: Fine. Of course it was a fairly small embassy, working under siege conditions. Everybody knew each other very well [REDACTED]

[REDACTED]

THE CHAIRMAN: Just before we move on, John, how you organised SIS internally and in London between, as it were, the global counter-terrorist side and the Iraq geographical regional locus of it. When you come to AQI in particular, how was that done?

SIR JOHN SCARLETT: ⁴ [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

THE CHAIRMAN: [REDACTED]

SIR JOHN SCARLETT: [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

⁴ The witness described how SIS co-ordinated its activity on these two issues and set out the scale of SIS' effort on counter-terrorism

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

SIR RODERIC LYNE: [REDACTED]

[REDACTED] ?

SIR JOHN SCARLETT: [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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SIR RODERIC LYNE: [REDACTED]

[REDACTED]

[REDACTED]

SIR JOHN SCARLETT: [REDACTED]

SIR RODERIC LYNE: [REDACTED] ?

SIR JOHN SCARLETT: [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED].

SIR RODERIC LYNE: [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]?

SIR JOHN SCARLETT: [REDACTED] the problem was, of course, that it became clear that [REDACTED]
[REDACTED] there was a complex intermingling of legitimate political activity and insurgency activity throughout this period, certainly 2005 and 2006, and [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

It's actually not that easy, even going back over the documentation, to see a definition of precisely what the policy objectives [REDACTED] were. They were not very tightly defined. [REDACTED]
[REDACTED]
[REDACTED]

[REDACTED] Those were the two headline objectives that we were conscious of. It's there clearly from the documentation. I don't think the objectives [REDACTED] were more closely defined.

SIR RODERIC LYNE: [REDACTED]?

SIR JOHN SCARLETT: [REDACTED]

SIR RODERIC LYNE: [REDACTED]?

SIR JOHN SCARLETT: [REDACTED]

[illegible]

SIR RODERIC LYNE: [REDACTED]

[REDACTED]

[REDACTED]?

SIR JOHN SCARLETT: [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

By the middle of 2006, [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] the mood in the Sunni political mainstream thinking was increasingly turning away from conflict with the coalition and focusing on Iran and AQI, and of course that eventually led to everything that happened in 2007 and 2008 around the surge.

Whether there is a connection [REDACTED]

[REDACTED] I'm afraid I don't know, and I don't think the record makes it clear. Probably not a big one.

SIR RODERIC LYNE: [REDACTED]

[REDACTED]

[REDACTED]?

SIR JOHN SCARLETT: [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

I would be slightly hesitant about that. [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

SIR RODERIC LYNE: [REDACTED]
[REDACTED]?

SIR JOHN SCARLETT: Yes. I frankly was much more focused on good intelligence collection.

SIR RODERIC LYNE: Were there other things that we were doing [REDACTED]?

[REDACTED]
[REDACTED]
[REDACTED]

SIR JOHN SCARLETT: [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

SIR RODERIC LYNE: [REDACTED]

[REDACTED]

[REDACTED]?

SIR JOHN SCARLETT: [REDACTED]

[REDACTED]

[REDACTED]

SIR RODERIC LYNE: Do you recall that there were points, because we had different ambassadors through this period and different Chancery officers, where you might have sensed that there was a bit of a vacuum that you needed to fill because they weren't able to fill it for one reason or another?

SIR JOHN SCARLETT: I don't remember particularly thinking that, no. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

SIR RODERIC LYNE: Were the successive ambassadors supportive of [REDACTED]?

SIR JOHN SCARLETT: To my knowledge, yes. I don't remember there being difficulty.

SIR RODERIC LYNE: Just rolling the story forward a bit, we then find that we have got Maliki in government.

SIR JOHN SCARLETT: Yes.

SIR RODERIC LYNE: [REDACTED]

[REDACTED]

[REDACTED]?

SIR JOHN SCARLETT: [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] the final makeup of that government [REDACTED] was very much driven by Iraqi internal politics. We ended up with Maliki who, of course, nobody had even thought of until very late in the day.

SIR RODERIC LYNE: And indeed wasn't really exactly what we would have ideally liked, Maliki. He was not instinctively favourable to the British.

SIR JOHN SCARLETT: That wasn't so clear at that stage.

SIR RODERIC LYNE: He was just an unknown?

SIR JOHN SCARLETT: Yes.

THE CHAIRMAN: Very good ancestry, historical, 1920, grandfather.

SIR JOHN SCARLETT: Yes. Actually I don't remember particularly -- if you get into that, you would have given up ages before. Everybody was against us in 1920.

But, of course, the Iran connection was an issue, clearly, and the Daw'a background was a bit of an issue. But by that stage we were just pleased to have anybody.

SIR RODERIC LYNE: But why did he become so difficult towards us, at various points after he had become Prime Minister?

SIR JOHN SCARLETT: Well, we did, but I don't think it was so surprising that we did. We were in his eyes an occupying power, but we were the secondary occupying power, not very effective in his eyes. So if he was looking for somebody to kick about, we were the obvious targets, and we would have been whether his grandfather had been in 1920 or whether we had got across him in Basra in 2007 or not. In a way we were in an exposed position to this kind of behaviour anyway.

If I can just add on that, of course I know that Maliki has a reputation now as anti-British. But in my job I heard people being anti-British all the time, and you would read [an SIS report] which will tell you so-and-so is anti-British. Much of the time I just disregarded that, because that tends to get recorded and then everybody says, "Gosh, he's anti-British", and you start worrying about it. But it wasn't necessarily a particularly important part of his makeup. It was perfectly possible to do business with him.

SIR RODERIC LYNE: It's often as misleading to label somebody anti-British as it is pro-British. I don't know if it was your experience with Maliki, but some types of foreign interlocutor can deal in a very different way with SIS, the Foreign Office, politicians, the army. They can see them in a different light. We can have a good relationship in one area and a difficult one in another.

SIR JOHN SCARLETT: [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

THE CHAIRMAN: Two quick points, if I may.⁶ [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]?

SIR JOHN SCARLETT: Not that I recall.

THE CHAIRMAN: [REDACTED]

[REDACTED]

[REDACTED].

SIR JOHN SCARLETT: [REDACTED]

[REDACTED]

[REDACTED] I have seen no evidence of it in the documentation I have read in preparing for this session.

THE CHAIRMAN: We haven't had evidence of it either.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]?

SIR JOHN SCARLETT: [REDACTED]

[REDACTED]

[REDACTED]

⁶ Sir John asked about relations between SIS and its intelligence partners and whether there had been any difficulties?

[REDACTED]

THE CHAIRMAN:

[REDACTED]

SIR JOHN SCARLETT:

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]
[REDACTED]
THE CHAIRMAN: [REDACTED]

SIR LAWRENCE FREEDMAN: [REDACTED]
[REDACTED]

SIR JOHN SCARLETT: [REDACTED]

SIR LAWRENCE FREEDMAN: [REDACTED]
[REDACTED]
[REDACTED]?

SIR JOHN SCARLETT: [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

SIR LAWRENCE FREEDMAN: [REDACTED]
[REDACTED]?

SIR JOHN SCARLETT: [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

SIR LAWRENCE FREEDMAN: Then going back again to August 2004, how was the situation in the south viewed? What were seen to be the particular dangers that were faced?

SIR JOHN SCARLETT: Well, at that particular time, and working slightly off personal recollection and the accounts of it, [REDACTED] in November 2004 [REDACTED] in Basra [REDACTED] the situation was still clearly -- "relaxed" is

maybe not quite the right word. It wasn't very relaxed, but it was certainly more relaxed than it was in Baghdad [REDACTED]

[REDACTED]

But already at that stage [REDACTED] were expressing the kind of concern [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

That wasn't because of a particular incident, as I recall. It was just because of an assessment of the situation [REDACTED]

[REDACTED]

[REDACTED]

From that point onwards we faced a deteriorating [REDACTED] situation, which deteriorated more rapidly from about the middle of 2006. [REDACTED]

[REDACTED]

SIR LAWRENCE FREEDMAN: Then going back to the November period, could you see ahead that this deterioration to that level was possible? I'm just trying to get a sense of how the risks were viewed at the time.

SIR JOHN SCARLETT: We certainly knew it was unstable. We had already had enough trouble in Basra politically to know that they weren't automatically on our side, but one can develop that. But I don't think any of us predicted that by the middle of 2006 [REDACTED] The British garrison in the Palace would be more or less trapped in there and subject to incoming direct fire, IDF in the way that it was, and then it was progressively throughout the second half of 2006 and into 2007. So that kind of deterioration was

a surprise.

[REDACTED]

So that's not a bad sort of date to quote as an example of how things went, and we were quite surprised when that happened.

SIR LAWRENCE FREEDMAN: That's quite useful. Did you say March or May?

SIR JOHN SCARLETT: March 2006.

SIR LAWRENCE FREEDMAN: Just quickly going back to late 2004, how different at all did you feel that your assessment of the situation was to the Foreign Office and the military? Were you thinking along similar lines?

SIR JOHN SCARLETT: In 2004?

SIR LAWRENCE FREEDMAN: Yes.

SIR JOHN SCARLETT: At that point I do not recall a particular difference. There was a tendency for us to be more pessimistic, which is a natural intelligence tendency in these kinds of

⁷ The witness explained that, in his view, the US had lost confidence in the operating conditions in Basra.

[REDACTED]

SINBAD had a limited effect.

That was different, broadly speaking -- I haven't got the detail in front of me, but it was a clear difference of view between the broad assessment which was being presented from the GOC side.

SIR LAWRENCE FREEDMAN: Does this go back to the normal pessimism of intelligence people, or was it something different

[REDACTED]

SIR JOHN SCARLETT: We were slightly open to that suspicion, but we were right.

SIR LAWRENCE FREEDMAN: Yes, clearly right.

SIR JOHN SCARLETT: And we knew we were right. So I didn't agonise about it.

SIR LAWRENCE FREEDMAN: [REDACTED]

[REDACTED]

[REDACTED] ? [REDACTED]

[REDACTED]

SIR JOHN SCARLETT: [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

SIR LAWRENCE FREEDMAN: I think the Chairman suggested a break before we get on to the events after SINBAD.

How would the reporting be handled back? How would you try to convey this to Ministers, when you reach a really critical stage in the assessment of where you were, with your anxiety about what had been achieved by SINBAD and the military still reporting back quite optimistically on it?

SIR JOHN SCARLETT: Well, because there were various channels down which the reporting went, and we had our standard distribution [for SIS reporting], and then participation in the range of Whitehall meetings which were taking place every -- regularly at that time. Certainly it was the JIC process. I don't immediately -- I can't immediately cite at you particular JIC papers which dealt with this, but there may well have been. I just haven't had them drawn to my attention again.

I think the main way though that we did it was there were -- just occasional -- when I said carefully chosen occasions, letters sent from SIS high command or from my deputy, saying, "This is [REDACTED]

[REDACTED] our intelligence reporting, nothing else, just our reporting, and we feel we need to say this is the picture this represents". That did happen on one, possibly two occasions, in addition to the briefing that we would have given people anyway, drawing their attention to the fact that there was [an SIS report] which was showing that things were not very good. It wasn't that SINBAD was having no effect. It was a question of how much of an effect.

SIR LAWRENCE FREEDMAN: But this required Ministers to accept that what had been our mini surge was not making a big difference, and contradict what they were getting from the

military. Did you sense that they were ready to take that difficult news?

SIR JOHN SCARLETT: I recall them being receptive to what we were saying. It was difficult for people to be completely sure. On one or two occasions, you know, I was told that I was going to get beaten up by the military over this, but actually I never was.

So, you know, there's a risk that it looks worse on paper than in reality it was, and there was a difference of view. But I certainly made sure that the key ministers knew what we were saying.

SIR LAWRENCE FREEDMAN: Thank you.

THE CHAIRMAN: Let's break for five minutes and then come back to spring 2007.

(A short break)

THE CHAIRMAN: As we resume, we will aim to finish by 4 o'clock or not much after. So let's get straight back.

SIR LAWRENCE FREEDMAN: So there was a change of policy in the spring of 2007, away from kinetic operations in Basra, towards an accommodation with the militias. Did this arise out of the assessments of the impact of SINBAD?

SIR JOHN SCARLETT: Well, of course, SINBAD was always seen as a time-limited operation. It was not intended to go on indefinitely. I don't remember, and I don't think I see from the documentation, a particular moment of a change of policy.

My recollection is a bit more fluid. [REDACTED]

[REDACTED]
[REDACTED] by early 2007, certainly by April, that had become a really major problem. We had 600 troops there [REDACTED]
[REDACTED] if you add everybody in,

and the IDF was coming in. At this stage, for some time, I was receiving personally IDF reports every day. So I was watching it every day.

[REDACTED]

So this was very, very close focus of attention by the top leadership of the Service. [REDACTED]

[REDACTED]

9 [REDACTED]

[REDACTED]

⁹ With reference to specific intelligence reports, the witness set out his understanding of the security situation and the genesis, impact and consequences of the accommodation reached in Basra in summer 2007.

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

THE CHAIRMAN: [REDACTED]
[REDACTED]

SIR JOHN SCARLETT: [REDACTED]
[REDACTED]
[REDACTED]

SIR LAWRENCE FREEDMAN: [REDACTED]

THE CHAIRMAN: [REDACTED]
[REDACTED]
[REDACTED]

SIR JOHN SCARLETT: [REDACTED]

SIR LAWRENCE FREEDMAN: [REDACTED] ?

SIR JOHN SCARLETT: [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED]

SIR LAWRENCE FREEDMAN: [REDACTED]

[REDACTED]

SIR JOHN SCARLETT: [REDACTED] There was a period of quite intense strike operational activity and front-footed activity by the MND South East in the first part of 2007. There was a successful tour. The brigade that was there in, I suppose, late 2006 through into early 2007 was impressive, and they had a successful tour. They took quite a lot of casualties, but they had a successful tour.

SIR LAWRENCE FREEDMAN: [REDACTED]

[REDACTED]?

SIR JOHN SCARLETT: [REDACTED]

SIR LAWRENCE FREEDMAN: [REDACTED]

SIR JOHN SCARLETT: Well, of course, what happened was that the ceasefire for a month on 13 August worked straight away. There was an immediate falling away of attacks, and it then carried on. It went beyond the month and it became effectively a permanent feature. So it was remarkably successful.

THE CHAIRMAN: [REDACTED]

[REDACTED]?

SIR JOHN SCARLETT: Yes, and of course it worked its way through the autumn. But the key point was that the policy was to withdraw from Basra Palace by the end of August, and there wasn't a single casualty or a single attack upon the withdrawal. So a major exposed operation took place under the conditions of a ceasefire.

SIR MARTIN GILBERT: [REDACTED]?

SIR JOHN SCARLETT: [REDACTED]

[REDACTED]

SIR LAWRENCE FREEDMAN: [REDACTED]

SIR JOHN SCARLETT: [REDACTED]?

SIR LAWRENCE FREEDMAN: [REDACTED].

SIR JOHN SCARLETT: [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

THE CHAIRMAN: [REDACTED]

[REDACTED]

[REDACTED]?

SIR JOHN SCARLETT: [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

So the immediate objective of getting out without casualties from the centre of the city, which was a really important achievement, and well recognised, I should say, by the top

military people in the MOD, CDS and the major military commanders, [REDACTED]

[REDACTED]
[REDACTED]

[REDACTED]
[REDACTED]

SIR LAWRENCE FREEDMAN: [REDACTED]
[REDACTED]

SIR JOHN SCARLETT: [REDACTED]

SIR LAWRENCE FREEDMAN: [REDACTED]? [REDACTED]?

SIR JOHN SCARLETT: [REDACTED]
[REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

SIR LAWRENCE FREEDMAN: [REDACTED]
[REDACTED]?

SIR JOHN SCARLETT: [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED]

SIR LAWRENCE FREEDMAN: Just finally from me, the Charge of the Knights.

SIR JOHN SCARLETT: Yes.

SIR LAWRENCE FREEDMAN: First, were you involved in the planning for the operation that was supposed to be part of, if Maliki hadn't pre-empted?

SIR JOHN SCARLETT: Not to my memory, no. The Charge of the Knights, as it actually happened, was a surprise to me. I think it was a surprise to HMG generally. That was certainly my memory.

SIR LAWRENCE FREEDMAN: So you had no forewarning?

SIR JOHN SCARLETT: [REDACTED]

[REDACTED] it hadn't got through to me.

SIR LAWRENCE FREEDMAN: And once it happened, did you get involved?

SIR JOHN SCARLETT: As much as we could, but of course there was a severe limit on what the British by that stage were able to do for political reasons. Those issues really had to be handled by the military, who were the ones who were having to deal with the political side. Malaki's team in Basra, they moved into the Palace, of course, and the Americans. It was a very difficult situation.

SIR LAWRENCE FREEDMAN: Okay, thanks.

SIR RODERIC LYNE: Could we quickly dispose of our old friends from Iran? At the beginning of this period, 2004, the assessment, roughly speaking, was that the degree of Iranian interference in the south -- I'm really focusing on the south here -- was gradually increasing.

Looking back on it, do you actually think that the Iranians were more deeply involved than we had realised, or were we about right that they gradually built up and became a bigger factor later on down the road?

SIR JOHN SCARLETT: It's hard to be completely sure because, even retrospectively, we didn't have the intelligence.

The assessments, of course, show a dividing line between the assessment in April 2004, which we discussed briefly before, where we reached a formal view that Iran was not behind the attacks on the coalition forces in Najaf, for example, and Muqtada al-Sadr's uprising at that time.

So although there was plenty of suspicion about Iran and Iranian activity, we were still resting on a basically benign assessment that they had their own rational position and reason for not wanting to stir things up beyond a certain point in Iraq, not to go for too much instability, but of course to spread their influence as much as they could and so on. That's clear from the assessments in 2003 and 2004.

But straight away, in September, the assessment is very significantly tougher. That had nothing to do with me moving from one job to another. It was just a complete coincidence,

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Then really that strengthened through the autumn, and it became a feature of our assessments of Iran right the way through from then on, reaching a sort of high point in the summer and the autumn of 2006, [REDACTED]

[REDACTED]

I have just got a note here. The July 2006 assessment on Iranian activity in southern Iraq or in Iraq was much more confident [REDACTED]

[REDACTED]

[REDACTED].

SIR RODERIC LYNE: [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]?

SIR JOHN SCARLETT: [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

SIR RODERIC LYNE: [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]?

SIR JOHN SCARLETT: [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

SIR RODERIC LYNE: [REDACTED]?

SIR JOHN SCARLETT: [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

SIR RODERIC LYNE: [REDACTED]?

SIR JOHN SCARLETT: [REDACTED].

SIR RODERIC LYNE: Thank you.

THE CHAIRMAN: Thanks.

SIR LAWRENCE FREEDMAN: We have alluded to this already. You have just mentioned [REDACTED]. Will you just take us through the impact of the experience of Iraq on relations between SIS and CIA [REDACTED]

[REDACTED]?

SIR JOHN SCARLETT: ¹⁰ [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

¹⁰ The witness described relations with intelligence partners and the impact of Iraq.

THE CHAIRMAN: [REDACTED]

?

JOHN SCARLETT: [REDACTED]

SIR LAWRENCE FREEDMAN: [REDACTED].

THE CHAIRMAN: [REDACTED]

SIR JOHN SCARLETT:

THE CHAIRMAN:

SIR JOHN SCARLETT:

SIR LAWRENCE FREEDMAN:

SIR JOHN SCARLETT:

SIR LAWRENCE FREEDMAN:

SIR JOHN SCARLETT: [REDACTED]

SIR LAWRENCE FREEDMAN: [REDACTED]

[REDACTED]?

SIR JOHN SCARLETT: [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

THE CHAIRMAN: Thank you. Now, we would like to ask just three very brief questions on the Butler Report. We are going to take some more detailed evidence on the internal workings, but just generally to ask, you took over as Chief the month after Butler published in July 2004.

SIR JOHN SCARLETT: Yes.

THE CHAIRMAN: What priority did you think it was right and necessary to give to the Butler -- I think they were more suggestions -- about how to reinforce, reinvigorate, recreate the validation process that would stand up?

SIR JOHN SCARLETT: I don't remember them being suggestions. I remember them being firm recommendations.

THE CHAIRMAN: It was politely put.

SIR JOHN SCARLETT: They were absolutely top priority and we got on with it immediately. Indeed, that work had started before I took over. There was a major review under way of the recommendations. That review reported to the Board in September, I think, 2004. So a month into my time, maybe six weeks.

They were focused on the key recommendations themselves. Then we built out from those recommendations, using the consultation exercise and other evidence, and in early November I put out a message to the Service as a whole, setting out what the recommendations were, what measures we were taking in response to them, and then what wider measures we were taking in the organisation and governance of the Service, which also were a response, but of a deeper kind, and not necessarily predicated on what Butler had said.

That was our major institutional response to the Butler recommendations and the Iraq story, and then that was subsequently -- that played into David Omand's exercise which ran for six months, up until March 2005, which then of course was announced publicly. So some of our measures were announced publicly as part of that.

But in practice, most of the key decisions were taken by November in SIS. So, as far as I was concerned, we just got on with it immediately.

THE CHAIRMAN: Just a couple of points then. Has that process stood up, as it were, with hindsight, in the years following?

SIR JOHN SCARLETT: Yes. It's not been -- in some of the detailed areas, it's not been completely straightforward, and I wouldn't say that everything has been stress tested perfectly.

Obviously one of the major areas were the changes on the requirements side, the head of requirements who was appointed at

the director level, the reinforcing of the [requirements] teams, and in particular the systemic institution of agent evaluation. Certainly there have been periods in particular where resource has still been an issue on the requirements officer's side, although if you look at the picture over the period of time, I think it's pretty good. But it's not been trouble free. There have been issues, and I think probably still are, about the relative status of some of the [requirements] officers with the operational officers. We have not completely solved that.

THE CHAIRMAN: The Service has moved a single status, in effect. The Butler Committee heard evidence, didn't it, that the requirements side was largely staffed by [mainstream] officers?

SIR JOHN SCARLETT: Well, we don't have those [distinctions] anymore.

THE CHAIRMAN: Indeed, single status as it were.

SIR JOHN SCARLETT: That took slightly longer. That change didn't happen straight away. The abolition of the [distinctions] didn't happen until 2007, but of course it was part of my longer term plan.

THE CHAIRMAN: Last point of all. After your time as JIC chairman, at the end of 2004, there was a JIC review of the impact of the withdrawn of WMD related intelligence, and the conclusion fundamentally was that it didn't actually change the assessments leading up to the immediate pre-war assessments. That is what the JIC have said. Is that surprising?

SIR JOHN SCARLETT: Sorry, I don't quite know what you mean, Chairman.

THE CHAIRMAN: There's a review of the JIC judgments.

SIR JOHN SCARLETT: Can I just, before I answer that, before I forget, go back to the last point you raised?

THE CHAIRMAN: Yes, please.

SIR JOHN SCARLETT: Just to draw your attention to the fact that when I talk about deeper changes within SIS governance, I do mean it. There were major changes in the way the service was run, and they were driven by the Iraq experience.

THE CHAIRMAN: Right. I don't want to spend too much time on this. It's simply really for the record. You were now, at the end of December 2004, Chief, but you had been JIC Chairman.

The JIC said in effect -- and here it is in summary -- that some judgments on Iraqi WMDs were okay, mainly the nuclear, some from partial and some were withdrawn. But it didn't actually change fundamentally the assessments.

JOHN SCARLETT: The judgments have not been subsequently substantiated, yes. Well, okay. I wasn't responsible for the JIC assessments.

THE CHAIRMAN: Indeed you weren't.

SIR JOHN SCARLETT: But no -- it was quite clear, and it was quite clear to me, and it was quite clear to the Service, that on the key issues of a nuclear programme, on CB or chemical weaponry stocks retention and biological production, with a small number of exceptions, the evidence had not been found. That was what we concluded, and there was no attempt to fudge that.

THE CHAIRMAN: Indeed. I think, turning to our final sets of questions, I'll turn to Sir Roderic about lessons learned.

SIR RODERIC LYNE: Just carrying through from what you were just saying about the changes that you brought in, part of this was a redesign of the Board and changes in the Board culture. Can you tell us what you did and what the purpose of this was?

SIR JOHN SCARLETT: I'm looking for my notes. I'm sure I can do

it off memory.

It was necessary to ensure that the SIS Board acted in a collegiate way, and that it was a collegiate body that had ownership for the leadership of the Service as a whole and the Service leadership strategy. The Iraq experience suggested that that had not always been quite the case.

So what we did was we changed -- this may sound like common sense, but for years and years the Board had met weekly. It had had a limited secretariat. This was something -- it wasn't necessarily a feature of the previous regime. It had just been like that for years. I had been a member of that Board in the past when it had operated like that, and that whole approach made it difficult to handle things at a strategic level.

So from January 2005, we moved on to a structure where Boards were only meeting monthly, on the last Friday of the month. There had to be a very good reason not to be there. I don't think in my time as Chief I missed a single Board meeting. I might have missed one.

We strengthened the secretariat, gave it a full-time secretary and an assistant secretary. The rules about preparation of papers, circulation of papers, recording of decisions, were revamped. They didn't always work perfectly, I have to say. I can't say that papers always arrived a week in advance, but we did our best. And we brought in two non-executive directors, one of whom had been previously a sort of non-executive adviser to the Board, but not in a very structured way. He became a non-executive director and we recruited a new non-executive director.

SIR RODERIC LYNE: So these were both from outside SIS?

SIR JOHN SCARLETT: Completely from outside, from business, and it's the situation now that there are two non-executive

directors who are very active members of the Board, completely cleared to see everything, but who come from private industry.

SIR RODERIC LYNE: So you have strengthened challenge. You have strengthened oversight. The implication of what you say, and the emphasis on collegiate, is that in the preceding period essentially this had been a sort of weekly group too heavily dominated by its leader?

SIR JOHN SCARLETT: I haven't said that in terms, but I was concerned to make sure that we didn't have that situation. In SIS, it is a Service which just naturally has it in its DNA to orientate around its Chief. It's hard to avoid that. So you need to put in strong institutional measures to balance that natural tendency. It's always been like that, and I can't say it wasn't completely like that in my time.

So you build up the institutions of the Service so that they have validity and credibility in the eyes of the officers, and they have confidence in the institutions of the Service and are not just thinking about the boss all the time. That's what I was concerned to do. It was a matter of reacting to tendencies which had been there for a long time in the Service.

So those were some of the measures that were taken, and we also put in place a series of supporting Boards, which then fed into the main Board. Again, that was to strengthen our institutional structure.

Now, that only half worked. There were too many of those supporting Boards, and some of them became superfluous and it became a bit bureaucratic. So we, a couple of years down the line, changed that, effectively abolished a couple of supporting Boards, strengthened the ones that had been effective, in particular focused on the Financial and Resource Management Board, which became a sort of Executive Board underneath the

main Board.

That was the system essentially that I left to my successor, and he has adapted that, which is completely normal and correct.

But the big points that I have just made, as I understand it, remain in place, and I think have stood the test of time.

11

[REDACTED]

¹¹ The witness explained that SIS had, at the start of the Inquiry's period of interest and for some years after that, internal structures based on both geographical and functional lines. This had sometimes led to confusion as to who was responsible for what. He explained that SIS had reorganised during the period under consideration by the Inquiry to remove that confusion.

[REDACTED]

SIR RODERIC LYNE: In deciding what changes to make, you will obviously have reviewed the Board minutes of the Board meetings and the processes in the period before, presumably.

SIR JOHN SCARLETT: Not in the way you are suggesting. I didn't personally go through all the minutes.

SIR RODERIC LYNE: You didn't go back to the minutes?

SIR JOHN SCARLETT: No, but I talked to all the directors, of course. I inherited the Board of directors, and they all remained on the Board, of course, in my first few months, and of course all this was done in very close consultation with them.

SIR RODERIC LYNE: [REDACTED]

SIR JOHN SCARLETT: [REDACTED]

SIR RODERIC LYNE: Obviously a lot of things have changed in SIS's world since the end of the Cold War, and particularly the rise of terrorism. The external environment that you are operating in is very different, and that changes the nature of the Service.

Does that inevitably mean that the Chief of the Service has got to be closer to the heart of Government than previously, particularly if you are in a global struggle -- I won't say war -- with terrorism? You have got a sort of running crisis of that kind.

SIR JOHN SCARLETT: It's undoubtedly true that in my time as Chief, let's say, compared to the situation in the mid-1990s even, the person in that job is spending much more time, if you like, at the centre of decision-making in Whitehall, and has a much higher profile and prominence. SIS therefore, along with the other Agencies, is engaged at the centre of Government in a way that wasn't necessarily true in the earlier part of my career.

The reason -- what I think I would say is I don't think I would particularly hitch that on terrorism. Obviously that's one reason for it, but almost any issue you think of which is preoccupying the Government in foreign policy or security policy or defence policy areas, and that takes up a lot of top Government time, almost all of those involve intelligence input, and it's very, very difficult to respond to and resolve the issues unless you have a strong intelligence input. It's difficult enough even if you do have that, and of course they don't all get resolved, but intelligence is relevant to the kinds of problems that we have now.

This is a subject, no doubt, for some eminent historian to

write a book, but it's to do with the kind of world in which we operate and the country, the complexity of that world, the way the balance of power has shifted against us, the difficulty of achieving our outcomes, the weaknesses relatively of our alliances and all this sort of thing.

SIR RODERIC LYNE: Did you find that you were spending as much time when you were Chief in Downing Street as your predecessor had done?

SIR JOHN SCARLETT: I spent very little time in Downing Street. I went to meetings and formally recorded meetings. I went to chitchat with Nigel Sheinwald, of course, from time to time, but he came across to chitchat with me, and I had a nicer dining room. He didn't have a dining room.

SIR RODERIC LYNE: So you spent less time.

SIR JOHN SCARLETT: I'm making a serious point, of course.

SIR RODERIC LYNE: It was a different sort of relationship -- is that the point you are making -- that you had with Downing Street, compared to your predecessors?

SIR JOHN SCARLETT: Can I put it another way? I've thought about this, and I'd give an answer as to how I spent my time as Chief, and it was pretty well consistent throughout that time.

Out of 100 per cent I might have spent 25 per cent externally, outside the UK, travelling [REDACTED] [REDACTED] - no, actually dealing with the network of contacts around the world. That's an important part of what the Chief does. He has his own network of contacts, international, which brings its benefit to the national interest, and that nobody else can do, particularly in these sorts of areas of the world where the heads of intelligence naturally are sort of Vice President, and semi run the countries.

About 20 per cent plus of my time would be spent dealing with the Government, and that's not just Downing Street. It's the Foreign Secretary, it's the Defence Ministry, it's DFID, it's the Treasury, it's all sorts of people, and the policy making officials, the Cabinet Office and the JIC.

50 per cent at least of my time was faced inwards, running the service.

SIR RODERIC LYNE: Did you ever go on Prime Ministerial visits or missions with Nigel Sheinwald to Washington, for example?

SIR JOHN SCARLETT: I didn't have a deliberate policy of avoiding him¹². Definitely not. I don't think I did, no. I might have done, but it just didn't come up.

SIR RODERIC LYNE: I mean, earlier on you talked right at the beginning, in very clear terms, about the principle that intelligence is on one side of the line and policy making on the other, and you had a ringside seat of your predecessor's relationship with the Prime Minister, because you were Chairman of the JIC. Then you said you took your own deliberate decisions about how you were going to handle that.

Do you think that line was in danger of being crossed in the period where you were in the ringside, rather than actually in the ring as Chief?

SIR JOHN SCARLETT: Well, there are some things I don't know, and I still don't know, if you like, as to exactly what happened during the period you are talking about. I myself have been accused, of course, of having been involved with the policy making, which I strongly refute. I don't think there's any evidence for it, and a lot of evidence the other way round.

¹² Witness's comment: I visited [REDACTED] with Nigel.

I have never had any doubt that that line is very important to be kept to. But there's obviously a danger that if you are the head of a really capable operational service, and that operational service is able to do very difficult things that the Government really wants done, in Afghanistan or wherever it might be, and you are able to produce those results, that makes you attractive to a Prime Minister who wants to get things done, and therefore it is a relationship which has to be handled extremely carefully.

I think it's difficult for me to comment beyond that, but the ideology and the mindset of the Service is very, very clear, always has been, and certainly was when I took over: do not spend your time in Downing Street.

SIR RODERIC LYNE: Time, I know, is pressing, and perhaps I would just like to ask one or two wrap-up questions. I don't want to exclude my colleagues from this very important discussion.

If you look overall at the whole of this period that we are talking about with regard to Iraq, what broad lessons would you draw in terms of the successes and failures of SIS? You have talked about corrective measures you took structurally when you became Chief, but just taking a very broad view of that, and of the impact which SIS was able to have on the UK's strategy for handling Iraq throughout this period. A very big question, but if we can wrap that one up.

SIR JOHN SCARLETT: Well --

SIR RODERIC LYNE: Profit and loss account.

SIR JOHN SCARLETT: Well, obviously there's a pre-war and post-war issue here, and I was not the Chief of SIS of the pre-war period or in the immediate post-war period. In the

post-war period, even the time when I wasn't Chief, of course the trends which were there carried on in the time that I was.

I have already indicated the kind of contribution in intelligence terms that we were able to make in the centre, but maybe more importantly in the south, across a wide range of issues, which were designed to help the Government handle what was of course an extremely difficult and threatening situation. I believe SIS made important contributions, and I have tried to highlight them here. [REDACTED]

[REDACTED]

[REDACTED]

So I put it -- I have thought about it before saying that -- indeed very strongly that the Service did that, and a small number of individual officers did it. It was a remarkable achievement. Of course that's what happens in intelligence. Sometimes you just hit the right seam of activity and it just works.

So I believe that. But the fact was that the policy context was extremely unhelpful. If you go through the papers now, and you look at what's written time and time again, I see constant references to policy vacuums, lack of policy, not being certain what the policy was. So what were we supporting? Our room to manoeuvre was so limited.

SIR RODERIC LYNE: Did you do a formal lessons learned exercise towards the end of this, actually sort of written down?

SIR JOHN SCARLETT: No.

SIR RODERIC LYNE: Were you tempted to?

SIR JOHN SCARLETT: I was always too busy.

SIR RODERIC LYNE: You couldn't have commissioned one as Chief? Other people have.

SIR JOHN SCARLETT: I know.

SIR RODERIC LYNE: It was a deliberate decision not to?

SIR JOHN SCARLETT: No, actually. There was not a deliberate decision not to, because we didn't want to create a document which then would become hostage to fortune.

SIR RODERIC LYNE: At the hands of the Iraq Inquiry.

SIR JOHN SCARLETT: No, I promise you that never happened. I can never remember any discussion of that kind. Not at all. That reminds me of something else I want to say.

There probably are people in the Service who think we should have done that. My own judgment is that the Service knew perfectly well, and knows perfectly well, what the lessons of the Iraq experience are, including in particular the pre-war experience. One of the things I tried to say to people was that although we were going to act decisively to correct weaknesses and so on, I was not going to spend my time rooting through the system to find the guilty people, and that I was going to look forward, and we just haven't got time -- we had to move forward. There was too much going on.

So that was a leadership decision, which I'm quite sure was right, and I think the Service responded to that in the right way.

In terms of the lessons learned, it may be a slightly more micro level, but that's important for a Service like ours. The main one that I draw out, in addition to the obvious pre-war ones, which were of course covered by Lord Butler, is that SIS is a small Service. If you become engaged in a major military conflict, it's a huge drain on resources, and it's very, very difficult for a Service like ours, and certainly the size we were back in 2003 -- we have become quite a lot bigger since then -- to resource that and to fund it. So the risk is you do

it hand to mouth because you think it's not going to go on for more than a year or two years, and then it goes on for six years, and of course the strain showed.

So we had to continually improve on the ground and on the spot, and we did. We put huge effort into that, but when I look back on it, there were moments in 2006/2007 when I felt we had been living hand to mouth, and that if there's any kind of risk of getting involved in something like that in the future, or indeed in Afghanistan, which of course has been a parallel experience, then the lesson we have tried to learn is, for goodness sake, resource things properly and plan ahead, so that as far as possible the resources are there, and support your officers, support their families. Don't live hand to mouth, and don't put them at unnecessary risk.

THE CHAIRMAN: Thank you.

SIR JOHN SCARLETT: The final thing I'm going to say, and I'm the one about time -- the other major point, which is a cultural point, very, very important in relation to all these governance points, is that you've got to ensure -- and I know this sounds like a leading point, and it's difficult for me to say beyond what I'm going to say -- there's got to be in intelligence work within the Service an atmosphere of open, free debate and discussion and challenge. That must be the culture of the Service.

I was very, very keen from the beginning to encourage that, to let people feel that they could say what they liked, and as long as they weren't talking rubbish, they would be listened to.

THE CHAIRMAN: I was going to invite you to make any final comments or offer final reflections, but you may just have done that. Is there anything else that you would have liked to say this afternoon?

SIR JOHN SCARLETT: No, I think.

THE CHAIRMAN: In that case, can I say thank you very much indeed? It was a valuable session. We will follow up that point we raised at the beginning about availability of SIS records of meetings and so on.

But with that, can I just remind that the transcript will have to remain in this building upstairs for your review, whenever is convenient.

With that I'll close the session. Thank you again.

(The hearing adjourned)