



The Cost of Intelligence Sharing and the Value of Transparency

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While the term ‘Remote Warfare’ may trigger images of unmanned drones and secretive special forces, intelligence sharing has become an essential aspect of this form of engagement. As with other methods of remote warfare, intelligence support to international allies and local partners who are involved in frontline fighting allows the UK to engage in conflicts without having to place large numbers of British boots on the ground.

Unlike some other aspects of remote warfare, Parliamentary oversight has strengthened for intelligence sharing since reforms of the Intelligence and Security Committee (ISC) in 2013, which enhanced its mandate to independently oversee the British intelligence services. In fact, this committee has been so significant in offering a model for external oversight over highly sensitive information that we have previously [argued](#) that a similar model should be set up for the UK’s special forces. However, when it comes to transparency over the costs of the UK’s intelligence support to partners in conflict, there is still a lot to be done when it comes to ensuring that there can be effective scrutiny and government accountability for these actions.

Why does it matter?

Estimating the cost of intelligence sharing’s role in contemporary theatres is important for several reasons. Firstly, at a time of austerity and Government-wide budget cuts, the agencies and departments responsible for intelligence sharing are among few to have seen [significant budgetary increases](#) in recent years. The Single Intelligence Account (SIA), which is a shared account between

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the three Intelligence Agencies distributed by parliament, will see a significant increase in their budgets of 33% from 2011-2020.

While Defence Intelligence (DI) – which is different from the rest of the Intelligence Agencies in that it is not an independent organisation, but an integral part of the MOD - will not see the same kind of exponential rise in its budget, complicated funding structures mean that in real terms they are also likely to see significant growth in their budget through such funds as the National Offensive Cyber Programme. DI can also access funds from the Joint Security Fund, a fund that will hold £1.5bn by 2020. As the Ministry of Defence struggles to find sufficient funds to address its Modernising Defence Programme, it would therefore be pertinent for independent organisations to be able to effectively scrutinise the cost and cost-efficiency of one of the only areas with a rising budget.

In addition, intelligence support to partners involved in conflict appears to be an important pillar of contemporary British engagement overseas, which means that we should probably understand it better. In Yemen for example, British intelligence officers have had a long presence in the country, and British intelligence has reportedly fed directly into airstrikes which have targeted leaders of al-Qaida but have also caused civilian casualties. Parliamentary scrutiny around such incidents, which have been echoed across the MENA region, remains minimal. Ministers are currently able to use the fact that the British contribution to some of these campaigns is intelligence-led to insist that “we’re clearly not going to get involved in military action itself”, even when there appears to be a link between British intelligence and targeting decisions.

The cost

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The cost of this form of British involvement in overseas theatres is obfuscated by a lack of transparency around intelligence spending and confusing funding streams.

The main fund for the three intelligence agencies (MI5, SIS also known as MI6, and GCHQ) is the [Single Intelligence Account](#), which had an annual budget of £2.8bn in 2015. While each agency produces annual accounts, these are not released to the public for national security reasons. This has been questioned by the Intelligence and Security Committee (ISC), who [challenge](#) statements by the heads of the intelligence agencies when they claim that budgetary information would offer too much information to enemies.

The ISC argued in their [2016/2017 annual report](#) that the benefits in accountability of releasing the information would be far greater than any risks that might be attached to releasing more information about defence spending. Without baseline budgets, it is impossible to get a real sense of the scale of British intelligence involvement overseas.

Instead, we just have to assume that reports such as [MI5 spending 64% of their funds on international counter-terrorism in 2016/2017](#) might include activities designed to support allied or partner combat operations, and that the fact that this accounted for over half of the budget might indicate that this is a significant area of activity for the British intelligence agencies.

“If it was just a question of saying rough percentages in any specific year, I don’t think necessarily that has to be secret.”

-Mark Lyall Grant, National Security Adviser

Releasing baseline budgets for the different agencies would be a good start. However, as the agencies and DI also receive funds from various funding

streams, it may not be enough to ensure proper accountability over this form of remote warfare. Other sources of funding include the [Conflict, Stability and Security Fund \(CSSF\)](#), which lacks effective M&L mechanisms and real accountability, as we [recently wrote](#) about. Even DI, which is the most transparent financially and releases its annual MoD allocation ([£315.5m in 2015/2016](#)), does not release its final full budget accounting for other funding streams. The ISC report simply [reports](#) that “in addition to this, [Defence intelligence] spent a further £***m provided by the National Offensive Cyber Programme.” This makes it difficult to establish the cost of even the most transparent intelligence unit. Such funding streams even makes it difficult to the very committee that is meant to offer classified scrutiny of the Agencies’ spending – the ISC – who report that boosts to the budget throughout the year makes it “...very difficult to monitor the financial performance of the Agencies...”

Lessons from the UK’s allies

The UK’s lack of transparency on its Intelligence agencies budget is not inherent to running an effective Intelligence service. In Australia, for example, there is focus on balancing the need for public accountability with the need for agency operations. This approach is reflected in the amount of information available on the public on the Australian intelligence agencies. In their annual report, the Parliamentary Joint Committee on Intelligence and Security outline the budgetary appropriation for each agency and how this compares to previous years. The review goes further and also outlines any other streams of funding that have entered each of the agencies and how any boosts to budgets will affect each agency. Finally, they outline any deficits in agency budgets and how they will be addressed.

If British intelligence agencies and departments were to release similar information, as recommended by the ISC, think tanks could offer real scrutiny and accountability of the cost efficiency of intelligence sharing. There is nothing to say from the Australian experience that such transparency would increase the risk facing the agencies, and as British intelligence contributions to allied and partner military operations continue, it is important that we have more clarity on the costs of this form of remote warfare.

Image credit: [Ashley Van Haeften/Wikimedia](#).

About the author

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