

Lines on questions from the LSE and APPGP reports

**ALL PARTY PARLIAMENTARY GROUP:
INTERCEPTION MODERNISATION PROGRAMME**

COSTS

Is the Home Office estimate of the costs of its programme at £2bn realistic and likely to be value for money?

It's important to put that figure in context. We're talking about £2 billion over ten years.

The cost to the UK of serious organised crime is assessed, by the Serious Organised Crime Agency, at upwards of £20 billion a year. Mass marketing fraud alone, which targets thousands of ordinary people, costs £3½ billion a year.

The cost of investigating homicide (in 2003 prices) is estimated to be at least £1.4 million per incident – and in 2007/08 there were 784 incidents of homicide in England and Wales.

The total cost of crimes against individuals and households in 2003/04 is estimated to be around £36.2 billion a year (in 2003 prices).

Bed days related to crime and disorder are estimated to cost the NHS between £1.1 and £2.3 billion per year.

What is the distinction between “costs” and “economic costs”, is this simply the cost to the tax payer in terms of facility fees that might have to be paid to CSPs? Does it include the new “DPI” hardware?

The cost estimate takes account of the costs of planning, developing and implementing a range of options, including the costs of business change and training associated with those. It includes costs to source, design and develop technologies. It includes the costs of securing data in CSPs.

[If pressed – the options in the consultation paper will cost more than a single database, because of the additional complexity of addressing the increasing fragmentation of communications data between network, service and application providers.]

[The economic cost of a decision depends on both the cost of the alternative chosen and the benefit that the best alternative would have provided if chosen. Economic cost differs from accounting cost because it includes opportunity cost.]

What about including the transitional infrastructure costs likely to be incurred by CSPs as they convert their existing systems to produce records into formats more helpful to law enforcement? Given that a new and heavy financial burden is to be placed on CSPs, what will be the implications for the provision of universal Internet access throughout the United Kingdom?

As the consultation paper acknowledged, the Government is required under current legislation to ensure arrangements are in place to make reasonable contributions to communications service providers towards the costs incurred by them in complying with communications data requirements. The views of industry on the costs they might face are a critical input to the consultation process – and the Government is committed to minimising costs and impact on industry.

No decision has been taken to alter current arrangements – although the Government is having to look at various costing models which will be assessed in terms of value for money and affordability.

Does it also include the costs to CSPs of additional SpoC staff and/or further training for existing SpoCs as they range and complexity of requests is likely to increase? What about the cost to CSPs of the data matching the paper mentions?

Detailed costs in terms of staffing requirements for CSPs or for public authorities, or costs to CSPs of processing data, will be assessed in the light of conclusions about the way forward. The consultation – and indeed our meeting today – are about reaching consensus on the challenge facing Government, authorities tasked with protecting the public and the public itself and options on how to address those challenges.

Does the figure include the additional costs to be borne by those requesting communications data – again they will need further training if their requests are to meet the “necessity” and “proportionality” tests in the more complex ICT environment?

Yes it does – and training of investigators to understand better how modern communications technologies operate, to exploit investigative opportunities and to properly assess the necessity and proportionality of requirements for the disclosure of communications data is an important part of the Programme.

Does the estimate include the additional costs to law enforcement and the agencies so that they can take advantage of the new material available to them?

Our estimates have included technology costs and business change costs identified by the security and intelligence and law enforcement agencies – although these will become clearer in the outcome of the consultation and working up of more detailed costs.

How does the demand for more law enforcement powers fit in with the statistics that show that, overall, crime in the UK is falling, not increasing?

Law enforcement is not demanding more powers. The challenge facing Government, law enforcement and the public is maintaining the capability of our law enforcement agencies to prevent and detect crime.

Consultation Paper

The Government recognises that any option focused on communications companies would put additional demands on industry, especially around the collection and retention of third party communications data not normally required for their own business purposes. The Government is therefore actively seeking the views of industry on these proposals through this consultation to help us meet Better Regulation commitments to minimise the costs and impact on the private sector. (p.4, consultation paper)

The range of options would offer different levels of benefits ... Different options among the ranges available would also incur different levels of cost. **Initial estimates of the implementation costs of the range of options discussed above are up to £2bn. This figure is a high level budgetary estimate of the economic costs.**

As provided for in RIPA, the Government is required to ensure arrangements are in place to make reasonable contributions to ... service providers towards the costs incurred by them in complying with the Act's communications data requirements. (p.27, consultation paper)