

Title: Overarching Impact Assessment for the Counter Terrorism and Security Act 2015 – Royal Assent IA No: HO0150 Lead department or agency: Home Office Other Departments: Law Enforcement, Border Force, Security and Intelligence Agencies and Department for Transport.	Impact Assessment (IA)		
	Date: 11 February 2015		
	Stage: Final		
	Source of intervention: Domestic		
	Type of measure: Primary legislation		
Contact for enquiries: CTSBill@homeoffice.x.gsi.gov.uk			
Summary: Intervention and Options			RPC Opinion: N/A

Cost of Preferred (or more likely) Option			
Total Net Present Value	Business Net Present Value	Net cost to business per year (EANCB on 2009 prices)	In scope of One-In, Two-Out? Measure qualifies as
£-263.92	£-29.50	£-3m	N/A N/A
What is the problem under consideration? Why is government intervention necessary? <p>On 29 August 2014, the Independent Joint Terrorism Analysis Centre raised the UK national terrorist threat level from SUBSTANTIAL to SEVERE meaning that a terrorist attack is 'highly likely'. Nearly 600 people from the UK who are of interest to the security services are thought to have travelled to Syria and Iraq since the start of the conflicts and we estimate that around half of those have returned.</p> <p>New powers are necessary to deal with the increased terrorist threat.</p>			

What are the policy objectives and the intended effects? <p>The objective of the Counter-Terrorism and Security Act 2015 is to reduce the risk of terrorism to the UK by:</p> <ul style="list-style-type: none"> • Preventing individuals from travelling abroad to commit terrorist related activity; • Disrupting the ability of terrorists, or those suspected of terrorist related activity, to return to the UK; • Enhancing our ability to monitor and control the actions of those in the UK that pose a threat; and • Combating the underlying ideology that feeds, supports and sanctions terrorism.

What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence Base) <p><u>Option 1</u> – No legislation / do nothing; and</p> <p><u>Option 2</u> (the preferred option) – enact legislation to disrupt the ability of individuals to travel overseas fight, or commit terrorist related activity, as well as disrupt their ability to return here; enhance our ability to monitor and control the actions of those in the UK that pose a threat; introduce measures to allow IP resolution; and better support those individuals at serious risk of being radicalised.</p>

Will the policy be reviewed? It will be reviewed.					
Does implementation go beyond minimum EU requirements?			n/a		
Are any of these organisations in scope? If Micros not exempted set out reason in Evidence Base.	Micro yes	< 20 yes	Small yes	Medium yes	Large yes
What is the CO ₂ equivalent change in greenhouse gas emissions? (Million tonnes CO ₂ equivalent)			Traded: n/a		Non-traded: n/a

I have read the Impact Assessment and I am satisfied that (a) it represents a fair and reasonable view of the expected costs, benefits and impact of the policy, and (b) that the benefits justify the costs.

Signed by the responsible Minister: _____ Date: _____

Summary: Analysis & Evidence

Policy Option 1

Description: Do nothing

FULL ECONOMIC ASSESSMENT

Price Base Year 13/14	PV Base Year 2014	Time Period Years 10	Net Benefit (Present Value (PV)) (£m)		
			Low: 0	High: 0	Best Estimate: 0

COSTS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	0	0	0
High	0	0	0
Best Estimate	0	0	0

Description and scale of key monetised costs by 'main affected groups'

The do nothing is the baseline, therefore the costs and benefits are zero.

Other key non-monetised costs by 'main affected groups'

The do nothing is the baseline, therefore the costs and benefits are zero.

BENEFITS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	0	0	0
High	0	0	0
Best Estimate	0	0	0

Description and scale of key monetised benefits by 'main affected groups'

The do nothing is the baseline, therefore the costs and benefits are zero.

Other key non-monetised benefits by 'main affected groups'

The do nothing is the baseline, therefore the costs and benefits are zero.

Key assumptions/sensitivities/risks

Discount rate (%)

3.5

The do nothing is the baseline, therefore the costs and benefits are zero.

BUSINESS ASSESSMENT (Option 1)

Direct impact on business (Equivalent Annual) £m:			In scope of OITO?	Measure qualifies as
Costs: 0	Benefits: 0	Net: 0	n/a	n/a

Summary: Analysis & Evidence

Policy Option 2

Description: Introduce legislation

FULL ECONOMIC ASSESSMENT

Price Base Year 13/14	PV Base Year 2014	Time Period Years 10	Net Benefit (Present Value (PV)) (£m)		
			Low: -	High: -	Best Estimate: -263.92

COSTS (£m)	Total Transition (Constant Price)	Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	-	1	-	-
High	-		-	-
Best Estimate	36.82		26.6	264.87

Description and scale of key monetised costs by 'main affected groups'

The costs of this Act include: building the IT capability to access required data, training and deploying operational staff, assessing and responding the threat of terrorism, adjusting border procedures and establishing a privacy and civil liberties board. Please see the individual issue-based Impact Assessments for a breakdown of the costs.

Other key non-monetised costs by 'main affected groups'

There will be costs to the Criminal Justice System which have not been monetised in this impact assessment. There will also be costs to bodies that will be required put a small number of staff through Prevent Awareness training. Please see the individual Impact Assessments for a breakdown of the costs.

BENEFITS (£m)	Total Transition (Constant Price)	Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	-	1	-	-
High	-		-	-
Best Estimate	-		0.12	0.95

Description and scale of key monetised benefits by 'main affected groups'

We have only been able to monetise one benefit arising from the Border Security Policy. Under this option, carriers would not need to pay detention and removal costs for individuals who would otherwise have been carried to the UK and then denied permission to enter or refused admission.

Other key non-monetised benefits by 'main affected groups'

The key benefit is the reduction of the risk to the UK and our interests overseas from terrorism, so that people can go about their lives freely and with confidence.

Key assumptions/sensitivities/risks	Discount rate (%)	3.5%
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Not all of the costs in this Act represent new financial costs; they may represent the diversion of resources from one activity to another.

BUSINESS ASSESSMENT (Option 2)

Direct impact on business (Equivalent Annual) £m:			In scope of OITO?	Measure qualifies as
Costs: 3.1	Benefits: 0.1	Net: -3	N/A	N/A

Background and Rationale for Intervention

1. In August 2014, the Independent Joint Terrorism Analysis Centre raised the UK national terrorist threat level from SUBSTANTIAL to SEVERE meaning that a terrorist attack is 'highly likely. Nearly 600 people from the UK who are of interest to the security services are thought to have travelled to Syria and Iraq since the start of the conflicts and we estimate that around half of those have returned; a number of these individuals have joined terrorist organisations including the Islamic State of Iraq and the Levant (ISIL).
2. The Counter-Terrorism and Security Act was introduced to Parliament on 26 November 2014. It received Royal Assent on 12 February 2015. The Act strengthens the capabilities of operational partners (including the police, Security Service and Border Force) to disrupt the ability of people to travel abroad to fight, or engage in other terrorist related activity abroad, and control their return to the UK; enhance the ability of the law enforcement and intelligence agencies to monitor and control the actions of those in the UK who pose a threat; and combat the underlying ideology that feeds, supports and sanctions terrorism.
3. This document should be read alongside the standalone impact assessments for each of the measures included in the Act; the Explanatory Notes; Factsheets; and the Privacy Impact Assessment which can be found at www.Gov.uk/home-office.

Objectives

4. The measures included in the Counter-Terrorism and Security Act 2015 improve the operation of existing legal powers and create new powers where they are needed. The Act reduces the risk of terrorism to the UK by:
 - Preventing individuals from travelling abroad to commit terrorist related activity;
 - Disrupting the ability of terrorists, or those suspected of terrorist related activity, to return to the UK;
 - Enhancing our ability to monitor and control the actions of those in the UK that pose a threat; and
 - Combating the underlying ideology that feeds, supports and sanctions terrorism.
5. Further information on the policy objectives for each measure is set out at the relevant section in the standalone impact assessments at www.gov.uk/home-office.

Contents

6. The Counter-Terrorism and Security Act 2015 contains the following measures:
 - **Temporary Passport Seizure:** Providing the police – and designated Border Force officers acting under the direction of the police - with a power to seize a passport at the border temporarily, during which time they will be able to investigate the individual concerned.
 - **Temporary Exclusion Order:** Creating a Temporary Exclusion Order that can temporarily disrupt the return to the UK of a British citizen suspected of involvement in terrorist activity abroad – ensuring that when individuals do return, it is done in a controlled manner.
 - **TPIMS:** Enhancements to the Terrorism Prevention and Investigation Measures regime, including stronger locational constraints on subjects, and a power to require them to attend meetings as part of their ongoing management.

- **IP Resolution:** Improve law enforcement agencies' ability to identify who is responsible for sending a communication on the internet or accessing an internet communications service.
- **Border Security:** Enhancing our border security for aviation, maritime and rail travel, with provisions relating to passenger data, 'no fly' lists, and security and screening measures. Carriers that refuse to comply may be fined or have their permit to operate to the UK cancelled.
- **Prevent:** Creating a general duty on a range of organisations to prevent people being drawn into terrorism and ensure the Prevent programme is delivered consistently across the country.
- **Channel:** Putting Channel – the voluntary programme for people at risk of radicalisation – on a statutory basis.
- **Amendments to the Terrorism Act 2000:** Amending the Terrorism Act 2000 to put beyond doubt:
 - the legal basis of measures relating to preventing the payment of ransoms to terrorist organisations; and
 - the scope of the power for examination of goods at – or near – ports.
- **Privacy and Civil Liberties Board:** Creating a board to support the Independent Reviewer of Terrorism Legislation on privacy and civil liberties issues. The Act also extends the statutory remit of the Independent Reviewer of Terrorism Legislation so as to include other counter-terrorism legislation, including Part 1 of this Act (Temporary Passport Seizure and Temporary Exclusion Orders, as above), and to enable a more flexible reporting arrangement.
- **Special Immigration Appeals Commission:** Extend the naturalisation decisions that may be reviewed by the Special Immigration Appeals Commission (SIAC) for applications for British Overseas Territory citizenship.

7. Further detail on each measure is set out at the relevant section in the standalone impact assessments at www.gov.uk/home-office.

Existing measures

8. The Counter-Terrorism and Security Act will sit alongside the existing suite of powers that are already used to combat the terrorist threat including:
- Removing the passports of those who want to travel abroad to engage in terrorism under the Royal Prerogative.
 - Barring foreign nationals, where they are suspected of terrorist related activity, from re-entering the United Kingdom and stripping British citizenship from those who have dual nationality where they are suspected of terrorist related activity.
 - Working in partnership with the internet industry to remove terrorist material hosted in the UK or overseas; and
 - Utilising recently enacted legislation to safeguard the retention of communications data, crucial in the investigation of those involved in terrorist activity, in this country and overseas.

Other Impact Assessments

9. The main provisions were considered in separate standalone impact assessments which were published when the Act was introduced to Parliament on 26 November 2014. Updated impact assessments for the Temporary Passport Seizure power, Temporary Exclusion Orders and the Privacy and Civil Liberties Board have also been published on Royal Assent.

10. The Serious Crime Bill also contains amendments to Section 5 and Section 6 of the Terrorism Act 2006 which will enable UK law enforcement to tackle individuals of concern who commit terrorist offences abroad.
11. The net present values and costs of these measures and a total net present value for the Act as a whole are presented in **Table 1**. This has been updated to reflect the revised cost of the Temporary Passport Seizure power.
12. Further information on the breakdown of costs for each measure is included in the standalone impact assessments at www.gov.uk/home-office.

Groups Affected

13. The groups affected by this legislation include:
 - Law Enforcement Agencies (LEAs) e.g. the police, Border Force and the National Crime Agency;
 - Security and Intelligence Agencies (SIA);
 - Public and private bodies including (though not exclusively) local authorities, state and private schools, Job Centre Plus, Housing Associations, universities;
 - The Criminal Justice System including the Crown Prosecution Service; HM Courts and Tribunals Service; the Legal Aid Agency and HM Prison Service;
 - Kidnap and ransom insurance clients;
 - Financial Conduct Authority and Prudential Regulatory Authority;
 - Private security companies and kidnap response consultants;
 - UK insurance and reinsurance companies;
 - UK-based Communications Service Providers;
 - The Independent Reviewer of Terrorism Legislation;
 - Aviation providers and the wider transport sector;
 - Air passengers;
 - Devolved Administrations;
 - Overseas Governments, the EU and other international bodies; and
 - The general public, whose safety and security are affected by the capabilities of the police and other agencies to prevent and disrupt terrorist attacks.
14. Further information on the groups affected by the legislation is set out at the relevant section in the standalone impact assessments at www.gov.uk/home-office.

Consultation

15. The Home Office engaged closely with operational partners and across Government on the measures included in the legislation. We held informal consultations with representatives from UK communications service providers prior to the introduction of the Act. Since then, detailed engagement has continued with the communications service providers most likely to be affected by the Act. The Home Office also held informal consultations with representatives from the UK insurance industry both in the lead up to, and following the introduction of the legislation. In addition, the Home Office consulted a sample group of UK airline carriers on the aviation security measures which form part of the broader package of border security proposals. This was followed in January 2015 with a consultation with airlines operating flights to and from the UK, international rail and maritime operators and carriers' representative organisation, to inform the development of the secondary legislation to be made under Part 4 of the Act (Aviation, Shipping and Rail). In reviewing the existing Channel guidance, the Home Office also consulted local authorities, Channel Police Practitioners and local partners affected by the duty.

16. The Government conducted full public consultations for: the draft Prevent duty guidance – dedicated consultation events for the Prevent duty were held in Manchester, London, Birmingham, Cardiff and Edinburgh; the draft Code of Practice for examining officers who exercise port and border controls under Schedule 7 to the Terrorism Act 2000 to examine goods; the remit and constitution of the Privacy and Civil Liberties Board; a Code of Practice for the passport seizure power; and revisions to the Codes of Practice for the Acquisition and Disclosure of Communications Data, and Retention of Communications Data. These consultations ran parallel with the passage of the legislation through Parliament.
17. The Government discussed the legislation with overseas governments to ensure it was consistent with all our existing international legal obligations. A full human rights memorandum was published alongside the Act and considered by the Joint Committee on Human Rights, who reported on the Act on 12 January 2015.

Rationale

18. Protecting the UK against terrorism is a fundamental role of Government. Counter-terrorism measures require judgements on the need to balance protecting the public with safeguarding civil liberties and dealing with sensitive issues of national security. Such judgments should not be left to the private sector. The private sector does not have the access to intelligence to understand the scale/nature of the threat. It is the Government that manages sensitive information and intelligence on individuals that pose a terrorist threat and is responsible for the safety and security of UK citizens. Given the necessity of counter-terrorism measures, and the role of the Government to protect the public, the Government is uniquely placed to fulfil this role.
19. Further information on the rationale for each of the measures is set out at the relevant section in the standalone impact assessments at www.Gov.uk/home-office.

Options

20. Two policy options were considered:
 - Option 1 – No legislation / do nothing; and
 - Option 2 (the preferred option) – Introduce legislation to disrupt the ability of individuals to travel overseas fight, or commit terrorist related activity, as well as disrupt their ability to return here; enhance our ability to monitor and control the actions of those in the UK that pose a threat; introduce measures to allow IP resolution; and better support those individuals at serious risk of being radicalised.

Overview of the Counter-Terrorism and Security Act 2015

An overview of each of the measures included in the Counter-Terrorism and Security Act 2015 is set out below:

Temporary Passport Seizure

Issue

21. The UK already has a power under the Royal Prerogative to cancel or refuse passports on public interest grounds. This power cannot, however, be exercised quickly enough in an emergency situation to disrupt an individual suspected of travelling overseas to commit terrorist acts.
22. The Act creates an immediate travel disruption power to provide operational partners with sufficient time to investigate an individual and assess whether further longer-term disruption action should be taken.

Response

23. The key elements of this power are that:

- It is a new power for police officers and border force officers under the direction of police to exercise at ports where a person intends to leave the UK for the purpose of engaging in terrorism related activity;
 - It includes individuals who are returning inbound where there are reasonable grounds to suspect they will soon travel again for the purpose of engaging in terrorism-related activity. The standard of proof is 'reasonable suspicion' of intention to travel for terrorism related activity;
 - British or foreign passports (and any other travel documents) may be seized for an initial period of 14 days, in order to disrupt the immediate travel of a person while further disruptive actions are considered. The police need to apply to a court to continue to hold the travel documents beyond 14 days, up to a maximum retention period of 30 days;
 - The passport has to be returned where the test is no longer met or where no further disruptive action is considered appropriate and no later than the expiry of the 14 day period;
 - The individual will not be detained and remains in the UK during the period which their passport is being held. The temporary passport seizure period cannot be extended, but an individual could be subject to repeated exercise of the power if the threshold is met on future travel attempts (subject to safeguards against improper use of the power);
 - The passport holder will be prevented from obtaining a replacement British passport during periods of seizure; and
 - The Code of Practice for police (and Border Force officers) makes provision for how officers are to exercise the powers to guard against any risk of improper use.
24. Further information on the rationale for intervention and benefits of this measure are set out in the standalone impact assessment at www.gov.uk/home-office.

Temporary Exclusion Orders

Issue

25. Nearly 600 people who are of interest to the security services are thought to have travelled from the UK to Syria and Iraq since the start of the conflicts. A number of these will have been radicalised and could pose a threat to the public if they return to the UK. The Counter-Terrorism and Security Act 2015 creates a new power to control the return of individuals suspected of terrorism offences abroad, and to help mitigate the terrorist threat they may pose.
26. This power will reduce the security risk to the UK resulting from the return of British citizens suspected of involvement in terrorism abroad by creating a new Temporary Exclusion Order ('TEO'). This new power will provide the relevant security and intelligence agencies and the police with an additional tool with which to improve their management of these individuals by increasing the control over the time and method of their return and allowing the security and intelligence agencies to put in place investigative and control measures for these individuals once they have returned.

Response

27. A Temporary Exclusion Order is a statutory order which temporarily disrupts the return to the UK of a British citizen suspected of involvement in terrorist-related activity abroad. It:
 - Makes it unlawful for the individual to return to the UK without engagement with the UK authorities;
 - Is supported by cancellation of the individual's travel documents and inclusion of their details on watch lists (including the 'no fly' list);
 - Allows for the imposition of certain requirements on the individual once they return to the UK;
 - Requires the Secretary of State to obtain permission from the court before introducing a TEO; and
 - Enables those subject to a TEO to apply for a review when they have returned to the UK.
28. Further information on the rationale for intervention and benefits of this measure are set out in the standalone impact assessment at www.gov.uk/home-office.

Terrorism Prevention and Investigation Measures

Issue

29. Terrorism Prevention and Investigation Measures (TPIMs) are powerful tools for the Security Service and police to help manage the risk posed by individuals that cannot be detained or deported, and are used to disrupt individuals with a track record of involvement in terrorist related activity.
30. The Act enhances the existing regime to deal with the significant threat of British nationals returning from overseas conflict zones, such as Syria and Iraq, with the intention of engaging in terrorist activities, and those individuals already in the UK who pose a security risk to the general public.

Response

31. The Act amends the TPIM Act to:
- Allow the Secretary of State to require a subject to reside in a particular location elsewhere in the UK, subject to restrictions on the distance that a subject could be relocated;
 - Amend the travel measure to restrict a subject's travel outside the area in which their residence is situated;
 - Include a power to require TPIM subjects to meet with bodies or other persons specified by the Secretary of State.
 - Create a new measure to prohibit TPIM subjects from obtaining or possessing offensive weapons including firearms and explosives;
 - Increase the sentence for breaching the travel measure from a maximum of five years to a maximum of ten years, where the person leaves the UK or breaches the new power to impose a boundary around where they reside without a reasonable excuse.
 - Raise the threshold for issuing a TPIM to 'balance of probabilities'; and
 - Amend the definition of terrorism-related activity, to remove the 'support or assistance' to 'encouragement' or 'facilitation' of the commission, preparation or instigation of acts of terrorism.
32. Further information on the rationale for intervention and benefits of this measure are set out in the standalone impact assessment at www.gov.uk/home-office.

Communications Data – IP Resolution

Issue

33. The ability of the law enforcement, security and intelligence agencies to obtain access to communications data is vital to public safety and national security. Communications data has played a significant role in preventing and detecting serious crime and in every major Security Service counter terrorist operation over the last decade. Government intervention is therefore necessary to ensure continued availability of this data to law enforcement and intelligence agencies.
34. The Act amends the Data Retention and Investigatory Powers Act 2014 (DRIPA) to enable CSPs who provide an internet access service to retain the data that would allow relevant authorities to link the unique attributes of a public IP address to the person, or the device, who was using it at any given time. The intended effect is that law enforcement and intelligence agencies have the powers they need to protect the public and ensure national security by being able to continue to identify a user or device from the service they have used, when necessary and proportionate to do so.

Response

35. The Act:
- Introduces new requirements on CSPs to retain CD, including beyond their own business need;
 - Amends the Data Retention and Investigatory Powers Act 2014 (DRIPA) to enable communications service providers (CSPs) who provide an internet service to retain data necessary to attribute an IP address to an individual;
 - Expands DRIPA to cover a wider range of internet services; and
 - Provides payments to be made to CSPs in respect of costs incurred in complying with new legislation.
36. Further information on the rationale for intervention and benefits of this measure are set out in the standalone impact assessment at www.gov.uk/home-office.

Border Security

Issue

37. In response to the attempted terrorist attack over Detroit in December 2009 the UK introduced the Pre-Departure Checks Scheme to prevent people who pose a terrorist threat from flying to or from the UK. The Security and Travel Bans Authority to Carry Scheme 2012 requires airlines to seek authority to carry passengers who fall within the scope of the Scheme. If the carrier does not seek such authority, or the carrier brings to the UK a passenger in respect of whom authority has been denied, the carrier will be liable to a financial penalty.
38. The Counter-Terrorism and Security Act 2015 addresses the following issues with the UK border:
- The National Border Targeting Centre has to telephone most carriers to deny authority to carry, provide a no fly alert or instructions. This can be ineffective in time-critical situations.
 - Insufficient advance data is received from non-scheduled aviation and maritime services to have a full picture of arriving and departing traffic.
 - There is a need for more effective sanctions for non-compliance with existing requirements to provide passenger, service and crew data.
 - For British nationals, the current threshold for 'no fly' is restricted to individuals assessed to pose a direct threat to the security of aircraft and imposed by a direction which can mean time delays.
 - Currently carriers can only be recommended not to carry individuals who have been excluded from the UK for reasons other than national or public security e.g. those excluded from the UK on the grounds of unacceptable or non-conductive behaviour.
 - Outbound flights from the UK are not currently within the statutory authority to carry arrangements so carriers can only be recommended not to carry an individual outbound.
 - Our ability to specify security measures at foreign airports is constrained by legal considerations around extra-territorial action.
39. These measures will prevent and disrupt the entry, return to the UK or departure from the UK of individuals who pose a terrorism-related threat, primarily but not exclusively by air; and to mitigate the threat of an attack on transport services operating to the UK (or onward from the UK), again primarily but not exclusively by air.
40. The Counter-Terrorism and Security Act 2015 also clarifies the legal position in relation to the examination of goods in remote storage outside the immediate boundary of a port and the examination of goods comprising items of post. Examination of goods is an important capability given the current threat, to detect terrorist material being sent to and from the UK.

Response

41. The provisions in the Act fall under four main headings:
- Data – 1a.) Require carriers to use passenger data systems capable of receiving instructions to offload or to screen any passenger and to provide complete and accurate data within a specified timeframe, and make regulations establishing a civil penalty regime to penalise non-compliance. 1b.) Creates a power to allow us to require through regulations the advance data for non-scheduled aircraft and ships.
 - Authority to Carry ('No Fly') - The scope of the no fly arrangements are to be extended to include more individuals, both British and foreign nationals, and the outbound 'no fly' arrangements will be placed on a statutory footing, so that Border Force can require carriers not to carry an individual outbound as well as inbound. Regulations will be made establishing a civil penalty regime to penalise non-compliance.

- Specified Security Measures - Provides that carriers operating to the UK may be required to undertake specified security measures. In particular, measures in the Act strengthen our ability to impose specified security measures on carriers as a condition of their operation to the UK or entry into UK airspace.
 - Schedule 7 – clarifies the legal position in relation to the examination of goods in remote storage outside the immediate boundary of a port and the examination of goods comprising items of post.
42. Further information on the rationale for intervention and benefits of these measures are set out in the standalone impact assessment at www.gov.uk/home-office.

Prevent

Issue

43. The *Prevent* strand of the UK's counter-terrorism strategy (CONTEST) aims to stop individuals becoming terrorists or supporting terrorism. It is a key part of the government's counter-terrorism strategy and relies on the co-operation of many organisations to be effective. At present, such co-operation is not consistent across the country.
44. The Counter-Terrorism and Security Act makes the delivery of such activity a legal requirement. This is particularly important in areas of the country where terrorism is of the most concern.

Response

45. The Act addresses these issues by creating:
- A new statutory duty on certain bodies to have due regard to the need to prevent people from being drawn into terrorism;
 - A duty to have regard to guidance issued by the Secretary of State in fulfilling the duty; and
 - A power to direct a body to take certain action, which would be used to enforce compliance where the Secretary of State is satisfied that the body has failed to discharge the duty. These directions would be enforceable by court order.
46. Further information on the rationale for intervention, costs and benefits of this measure are set out in the standalone impact assessment at www.gov.uk/home-office.

Support for people vulnerable to being drawn into terrorism

Issue

47. The Channel Programme in England and Wales, and Prevent Professional Concerns in Scotland, are part of the Prevent strand of the UK's Counter-Terrorism Strategy (CONTEST). The programme is a multi-agency programme which provides tailored support to people who have been identified as at risk from radicalisation. Each local authority area currently has a panel made up of experts, including social workers and health professionals, which assess the suitability of referred individuals for support under the programme. Through Channel, agencies work together to assess the nature and the extent of the risk of radicalisation and, where necessary, provide an appropriate support package tailored to individual needs.
48. The Act puts the voluntary programme for people at risk of radicalisation on a statutory basis in England and Wales. This will secure effective co-operation from multi-agency partners and ensure good practice can be recognised, shared, and applied between areas using common practices, to further improve the implementation of the programme. It is the Government's intention that Scottish bodies will be added to the duty in due course.

Response

49. The Act:

- Requires local authorities to ensure that a multi-agency panel exists to assess the extent to which individuals referred to it are vulnerable to being drawn into terrorism, and (in the event that the individuals are judged to be sufficiently vulnerable) to put together a support plan, and monitor and review that plan as necessary. Local authorities do not need to establish a new panel to do this if there is already one which carries out these functions.
 - Sets out the basics of what a support plan should include, and stipulate that, should support not be offered under the programme, other forms of support should be considered.
 - Places a duty to cooperate with each other in relation to the whole programme process (including the work of the police before a case comes to be discussed at a panel) on: local authorities, police, education, health and the National Offender Management Service, and take the power to add to this list in Regulations. The duty to cooperate includes the sharing of information.
 - Requires partners to pay due regard to guidance issued by the Secretary of State.
 - Allows the Secretary of State to indemnify support providers against costs arising from support they provide – this is to remove the need for Intervention Providers to take out bespoke insurance, which can be prohibitively expensive.
50. Further information on the rationale for intervention, costs and benefits of this measure are set out in the standalone impact assessment at www.gov.uk/home-office.

Kidnap and Ransom

Issue

51. The Terrorism Act (2000) criminalises any form of terrorist financing, however there is a lack of clarity around whether existing law prohibits UK insurance and reinsurance companies from reimbursing payments made in relation to kidnap and ransom claims where there is knowledge or reasonable cause to suspect that payment was made to UK-proscribed terrorist groups. The risk that a UK insurance or reinsurance company could reimburse an organisation or individual for the payment of a terrorist ransom is at odds with the Government's policy position on both countering terrorist finance and non-payment of terrorist ransoms.
52. This measure strengthens the law to make explicit that reimbursement (via insurance contracts) of payments that have been made in response to terrorist demands is a criminal offence.

Response

53. The Act:

- Ensures that the UK's reputation for not funding terrorism is maintained by ensuring that UK insurance companies do not reimburse payments to terrorists;
- Makes it more difficult for terrorists to obtain ransom payments through kidnapping by preventing the reimbursement of such payments by UK insurance companies; and
- Amends the Terrorism Act 2000 to remove uncertainty around insurance (and reinsurance) payments and put this issue beyond doubt in law.

54. Further information on the rationale for intervention and benefits of this measure are set out in the standalone impact assessment at www.gov.uk/home-office.

Privacy and Civil Liberties Board

Issue

55. The Terrorism Act 2006 requires the Secretary of State to appoint a person to review the operation of the Terrorism Act 2000 and Part 1 of the Terrorism Act 2006. There are also requirements under the Terrorism Prevention and Investigation Measures Act 2011 and the Terrorist Asset-Freezing Act 2010 to appoint persons to review the operation of these Acts.
56. The Independent Reviewer of Terrorism Legislation is currently appointed under these provisions to review these Acts. The Independent Reviewer's primary purpose is to ensure that UK counter-terrorism legislation, and the manner in which it is operated, is fair, effective and proportionate - an important part of CONTEST, the UK's counter-terrorism strategy. The Independent Reviewer's reports to Parliament inform debate and the public on the use of these powers. During the passage of Data Retention and Investigatory Powers Act 2014 the Government committed to establish a board that would provide assurance to the public about the current counter-terrorism arrangements.
57. This measure will assist the Independent Reviewer of Terrorism Legislation in discharging his statutory duties to ensure that UK counter terrorism legislation and policies strike a balance between the threat to the public and civil liberties and privacy concerns. Additionally, the Government recognises that unsatisfactory gaps have developed over time in respect of the independent oversight of key pieces of counter-terrorism legislation. The measures in this Act seek to address those gaps and ensure that the Independent Reviewer, supported by the Privacy and Civil Liberties Board, can review a wider range of matters and provide full assurance to the public that all of our counter-terrorism powers operate as intended and are fair, effective and proportionate.

Response

58. The Act:

- Gives effect to a commitment (made during the passage of the Data Retention and Investigatory Powers Act) to provide further assurance to the public about counter-terrorism arrangements, including ensuring that legislation and policies have due regard for civil liberty and privacy concerns in the face of the threat to the UK;
- Creates an order making for the Secretary of State to set-up a Privacy and Civil Liberties Board which will support the Independent Reviewer of Terrorism Legislation – the Board will be chaired by the Independent Reviewer and subject to his direction and control; and
- Provides a mechanism to assist the Independent Reviewer of Terrorism Legislation when discharging his statutory duties.

59. In addition, the Act:

- Extends the statutory remit of the Independent Reviewer of Terrorism Legislation to include: Part 1 of the Anti-terrorism, Crime and Security Act 2001, and Part 2 of that Act insofar as the power is used in cases relating to terrorism; the Counter-Terrorism Act 2008; and Part 1 of this Act (containing the new Temporary Passport Seizure and Temporary Exclusion Order powers); and
- Provides for greater flexibility in the reporting arrangements of the Independent Reviewer of Terrorism Legislation, requiring him to set out an annual work programme.

60. Further information on the rationale for intervention and benefits of this measure are set out in the standalone impact assessment at www.gov.uk/home-office.

Special Immigration Appeals Commission

Issue

61. The Justice and Security Act 2013 introduced the ability for the Home Secretary to certify naturalisation decision, where refusal relied upon sensitive material. This allowed such decisions to be heard before the Special Immigration Appeals Commission (SIAC) and for the material being heard to be protected.

62. This strengthens the management of sensitive material which has been used in reaching a decision to refuse to naturalise an individual as a British Overseas Territories Citizen (BOTC) under S. 18(1) & 18 (2) of the British Nationality Act 1981. It does so by addressing a gap in existing legislation where applications for other forms of citizenship, but not for BOTC, can be referred to SIAC.

Response

63. The Act:

- Amends the SIAC Act 1997 to include a provision for the Home Secretary to certify a decision to refuse to grant British Overseas Territories Citizenship; and
- Ensures that any challenge to that decision may only be heard before SIAC if sensitive material has been used in reaching the decision.

Appraisal (Costs and Benefits)

GENERAL ASSUMPTIONS & DATA

64. While efforts have been made to understand the costs and benefits to all affected groups, it is necessary to make some assumptions. The Home Office has (as far as possible) strengthened and confirmed the evidence base through information gathered through informal and formal consultation with the insurance industry; aviation providers; Government departments; communications service providers; local authorities; and operational partners including law enforcement and the security services.

TABLE 1

Policy	Net Present Cost over 10 years, £m	Net Present Benefit over 10 years, £m	Non – monetised Cost	Non – monetised benefit
Passport Seizure	1.2	N/K	Individuals who are travelling will be prevented from travelling for up to 30 days whilst the police and Security Services conduct an investigation. There may be a cost to the CJS from an increase in judicial reviews if individuals feel that they have been unfairly or improperly stopped and had their passport and travel documents seized. Provision has been made for accommodation and subsistence support for individuals (and their families) in appropriate circumstances. We have been unable to monetise this cost due to insufficient data.	Police resources may be saved if the police do not need to investigate suspected overseas terrorist activities of individuals who have travelled for terrorist-related purposes. Using the new power to seize travel documents could disrupt the travel of individuals to locations which facilitate terrorist networking, training and experiences which provide individuals with enhanced capabilities to use abroad or in the UK on their return.
Temporary Exclusion	0.1	N/K	UK Embassies: An excluded British national would have the right to request consular assistance once excluded. Individuals	Reduction in the ability of British citizens to influence, plan and/or execute terrorist related activity in the UK. A terrorist attack can have a

			travelling to Syria and Iraq: Some will be disrupted on their return journey to the UK.	large impact in terms of the lives lost, damaged infrastructure and lost output, and longer term costs such as higher public anxiety. There are potential benefits to law enforcement agencies and the Security Service by creating an alternative method of managing British citizens suspected of involvement in terrorist related activity abroad.
TPIMs	6.9	N/K	The policy could result in a greater interference in the liberty of those subject to a TPIM notice. Costs to the judicial system for the potential increase in sentence length where an individual is prosecuted for breaching the travel measure. This cost has not been monetised.	There would be benefits to the general public as the disruption of TPIM subjects' activities would be more effective. There may be resource savings to central government if TPIM subjects residing in government-funded accommodation are relocated to less expensive areas elsewhere in the UK. Resources would also be saved by the police and the Security Services. The data required to monetise the benefits in relation to this benefit are not publishable, for privacy and security reasons.
Border Security	34.14	0.5	The possible expansion of the No Fly list ¹ is significant and therefore increases the risk of airlines incurring costs from handling no fly alerts, especially if they result in offloading passengers who have already boarded and retrieving their luggage from the hold. There will be an increased chance of reputational costs to	The main benefit of the policy is reducing the probability of a terrorist attack by prohibiting individuals who are known to pose a terrorist risk to the UK from travelling to the UK or on a UK-bound aircraft or on an aircraft out of the UK. This benefit cannot be quantified, but since the cost of such an attack would be extremely large, only one attack

¹ In this document the reference to a 'No Fly' List is a reference to individuals in respect of whom a carrier is liable to be refused authority to carry to or from the UK, and references to 'No Fly' can, where appropriate, mean references to preventing travel by other modes of transport.

			the UK if an individual is wrongly denied boarding.	would need to be prevented over a long period of time for the benefits of this policy to more than offset the costs.
Communications Data – IP Resolution	98.9	N/K	-	Counter-terrorism, the safeguarding of children, prevention of revenue loss, disruption of cyber enabled crimes
Prevent	119.1	N/K	There are additional costs for individuals attending training and coordinating activities which we have not monetised. Some of these costs may fall on business.	This will ensure bodies subject to the new duty are aware of and understand the threat from terrorism in their local area/organisation and take action where required. There will also be accumulated benefits to these bodies and society generally from greater co-operation with each other. The intended benefit is to reduce the risk of individuals being drawn into terrorism and consequently reduce the risk of these individuals carrying out terrorist attacks. It is not possible to monetise this benefit.
Support for people vulnerable to being drawn into terrorism	0	N/K		This will safeguard the impact of Channel by ensuring full participation in the programme by all panel members, and continued future participation in the programme by all partners. Panel attendance is likely to reduce the risk of referred individuals becoming radicalised, because the full range of support will be available. This should reduce the risk of those individuals carrying out an attack

Kidnap and Ransom	NK	NK	We expect there to be negligible costs to the National Crime Agency, Police, Government, Insurers and Regulators from dealing with instances where the proposed law is broken.	This will help maintain the UK Government's reputation of having a robust policy position on the non-payment of terrorist ransoms and countering-terrorist finance. It may help disrupt terrorism if individuals do not make payments to terrorists because they will not be reimbursed. This option can also provide clarity to UK insurers/reinsurers about situations in which they are unable to reimburse.
Civil Liberties Board	4.5	N/K	-	The measure will enable the Independent Reviewer of Terrorism Legislation to draw upon a wider range of expertise and viewpoints providing further public assurance that the current counter-terrorism legislative arrangements have due regard to their impact on privacy and civil liberties as well as to the terrorism threat facing the UK. It will additionally provide more capacity to the Independent Reviewer.
Special Immigration Appeals Commission	N/K	N/K	There will be a cost to government if the cost of holding a judicial review in a closed court exceeds the cost of holding it in an open court. This has not been estimated due to the very small number of cases this is expected to apply to.	The Home Office / Security Service: The Government will be able to better protect sensitive material/information in order to safeguard national security. Individuals challenging a certified decision: Individuals who are refused British Overseas Territories Citizenship will be able to have all aspects of the Home Secretary's decision, even those that rely upon sensitive material, reviewed independently by the

Costs

65. The costs of the legislation include building the IT capability to access required data, training and deploying operational staff, assessing and responding the threat of terrorism, adjusting border procedures, potential changes to business due to stronger insurance laws and the cost of establishing a privacy and civil liberties board. There will also be costs to the criminal justice system.
66. The cost of the measures included in the Act (the implementation costs that will be incurred in year 1 only) is estimated to be **£36.82m**. The average annual cost of these measures (this figure excludes the transition costs) is estimated to be **£26.6m**. The total discounted cost of the Counter-Terrorism and Security Act 2015 over the 10 year period is estimated to be **£264.87m**.

Please see the individual Impact Assessments for a detailed breakdown of the costs at www.gov.uk/home-office.

Risks

67. Further information on the specific risks to privacy and the planned safeguards in response to these risks is set out in the dedicated Privacy Impact Assessment at www.gov.uk/home-office.

Enforcement

68. Enforcement will be the primary responsibility of the police, intelligence services and Border Force. Other public and private sector bodies including local authorities, private and state schools, universities, prisons and colleges will also have statutory responsibilities under the measures introduced in this Act.

Commencement

69. A commencement timetable is set out below:
- The Temporary Passport Seizure Power comes into force the day after Royal Assent.
 - The measure to support for people vulnerable to being drawn into terrorism and the power to establish the Privacy and Civil Liberties Board come into force two months after Royal Assent.
 - The retention of relevant internet data; repealing the existing authority to carry scheme and bringing a new scheme into force; establishing a new civil penalty regime to penalise breaches of the new authority to carry scheme; establishing a passenger data civil penalty regime; directions relating to aviation, shipping and rail, e.g. searches of persons, property or the aircraft/ship/train itself; the Rules of Court relating to Temporary Exclusion Order proceedings and appeal proceedings; and the Prevent duty will be commenced by regulations made by statutory instrument
 - The other provisions come into force on the day of Royal Assent.

Monitoring and Evaluation

70. This Act makes changes to the statutory remit and reporting arrangements for the Independent Reviewer of Terrorism Legislation. In addition to those Acts currently subject to review by the Independent Reviewer – that is, the Terrorism Act 2000, Part 1 of the Terrorism Act 2006, the Terrorist Asset-Freezing Etc Act 2010 and the Terrorist Prevention and Investigation Measures Act 2011 – the Independent Reviewer will also be able to review Part 1 of the Anti-terrorism, Crime and Security Act 2001, and Part 2 of that Act insofar as the power is used in cases relating to terrorism; the Counter-Terrorism Act 2008; and Part 1 of this Act, containing the new Temporary Passport Seizure and Temporary Exclusion Order powers, when enacted. The Independent Reviewer will, in future, set out an annual work programme, which he must notify to the Secretary of State, including the matters which he intends to report on in the following 12 month period. Reports will be provided to the relevant Secretary of State, to lay a copy of the report before Parliament.
71. The independent Interception of Communications Commissioner oversees the use and authorisation of lawful interception and the acquisition of communications data. The public authorities who request communications data are subject to inspection by the Commissioner, with the larger public authorities being subject to annual inspection. The Commissioner also obtains data from CSPs to audit that their disclosures correlate with the public authorities' requests.
72. Intelligence activity more generally is overseen on multiple levels by the Government via Secretaries of State, independently by the Intelligence Services Commissioner and the Interception of Communications Commissioner, by Parliament via the cross-party Intelligence and Security Committee of Parliament, and judicially by the independent Investigatory Powers Tribunal.
73. We will monitor the number of prosecutions under these provisions and the range of sentences handed down. The Home Office publishes quarterly statistical releases on the arrests and outcomes of proceedings under terrorism powers. As with any extension of counter-terrorism powers, we are mindful of the need to ensure that the new powers remain necessary, proportionate and justified.
74. We will also continue to record – on an exception basis – evidence from law enforcement; the intelligence agencies; other Government departments; and the private sector to demonstrate both difficulties and benefits arising from this legislation.
75. Further information on how the legislation will be monitored and evaluated is set out at the relevant section in the standalone impact assessments on the Gov.uk website.

Feedback

76. As part of his statutory functions the Independent Reviewer of Terrorism Legislation is required to make reports to Parliament and may make recommendations to the Government on the legislation included in the Act, where this is part of the Independent Reviewer's statutory duties. The Government is required to provide a formal published response to all of the Independent Reviewer's reports.
77. Further information on how feedback will be received and inform policy development is set out at the relevant section in the standalone impact assessments at www.Gov.uk/home-office.

Annex A: Diversity Impact

78. The impact of the legislation has been considered against the protected characteristics under the Equalities Duty. For example, the code of practice for the Temporary Passport Seizure power requires the police to monitor the use of this power to ensure it is being used appropriately.
79. Further information on the safeguards relating to privacy and civil liberties is set out in the Privacy Impact Assessment at www.Gov.uk/home-office.

Annex B: Environmental Impact

80. It is not known if pursuing option 2 will have an environmental impact. There are likely to be a number of both positive and negative impacts. For example, this could include the environmental impact of additional aviation data storage. In the alternative, there may be impacts arising from having to pursue other investigative techniques. These impacts have not been explicitly calculated.