

# **Investigation into links between Special Demonstration Squad and Home Office**

**Stephen Taylor**

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# Summary report

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## Introduction

On 6<sup>th</sup> March 2014, the Home Secretary as part of her statement to the House on Mark Ellison QC's Stephen Lawrence Independent Review, announced the commissioning of a forensic external review to understand the links between the Home Office and the Special Demonstration Squad (SDS). This followed a series of critical comments on some of the activities of the SDS in the Ellison Review. The statement included the following:

*"Operation Herne has previously found that the Home Office was instrumental in the establishment of the SDS in 1968, in the aftermath of the anti-Vietnam War demonstrations in Grosvenor Square. And it has also previously found that the Home Office initially provided direct funding for the SDS.*

*The Home Office was the police authority for the Metropolitan Police at that time, so the interests of transparency require that we all understand what role the Department played. My Permanent Secretary has therefore commissioned a forensic external review in order to establish the full extent of the Home Office's knowledge of the SDS."*

## Objective

The objective of the review is precisely as the Home Secretary has set out: to establish the extent of the Department's knowledge of the SDS and its activities, including any knowledge of particular SDS operations which the Ellison Review has indicated raise cause for concern. In particular identifying who knew what and when insofar as that is possible from review of documentation and interviews.

## Summary of findings

The headline conclusion is that the Department was supportive of the SDS being created in 1968 and funded certain operational costs until 1989. Metropolitan Police Special Branch provided a level of accountability through an annual summary in this period. When funding ceased in 1989, no accountability was required until the SDS closed in 2008 and no significant evidence was identified of any links to the Home Office throughout this period. Outside of the annual reviews there is very little evidence to support any Home Office knowledge of the SDS and in particular no evidence was identified of any influence in operational activities.

The summaries from each section of the report are repeated below.

This investigation did not identify any retained evidence available in the Department of any correspondence, discussions or meetings on the SDS for the 40 year period from 1968 to 2008. The only records relating to SDS currently available within the Home Office are very

minimal (24 letters covering the whole 40 year period) and were only recovered recently from Operation Herne.

Detailed file searches failed to identify any documents of relevance and although a consistent file reference is available, there is no record to show where this file is or when it may have been destroyed. The absence of any current record of this reference number in Departmental systems is a concern given that the material would have been classified as Secret or Top Secret. It is not possible to conclude whether this is human error or deliberate concealment.

In headline terms, the Home Office knew that:

- Between 1969 and 1989, it was providing a separate and secret budget to meet the costs of accommodation as well as transport costs for covert officers;
- Operations and officers deployed by SDS were extremely covert;
- Groups and organisations were deliberately targeted, monitored and infiltrated to gather intelligence. Over the years, a small number of Home Office officials were aware of some specific groups;
- In the period from 1990 to 2008 after direct funding stopped, only two references were identified to indicate any Home Office links to the SDS.

The Department was specifically aware of:

- A number of the groups which were targeted, monitored and infiltrated each year from 1969 to 1989;
- The type of intelligence gathered from the covert operations, including some specific cases where arrests followed as a result;
- The detailed operational activity and all groups infiltrated in 1983 and 1986.

There is no documented evidence of any Home Office knowledge of:

- detailed operational methods or activities other than the retrospective headlines produced by Special Branch.

It is not possible to say with certainty that there were meetings and discussions on SDS activities as no records exist. However, it is a reasonable assumption that there would have been some discussions over the period as it is possible that documents marked Secret or Top Secret at the time, may have been hand delivered.

In the absence of any available Home Office documentation, there are only three direct references of any Ministerial involvement or awareness of SDS activities during the entire period. It is clear that on one occasion, in a year of a significant and risky operation for the SDS, there was a briefing to the Home Secretary who expressed approval of the activities.

The Home Office authorised and provided the separate and secret budget allocation to specifically meet the costs of SDS accommodation and transport only, from 1969 to 1989.

This was deliberately kept outside of the mainstream Metropolitan Police funding, possibly either due to the national significance of SDS work or to maintain the level of secrecy. The level of funding requested grew significantly year on year. There is no evidence of challenge to the budget request or scrutiny of expenditure by the Department once the allocation was agreed.

The correspondence and the history demonstrates valuable intelligence gathering over a long period by many brave and committed officers. However, the SDS is tainted by some controversial aspects which are in the public domain. In relation to these, only a small number of officials in the Department had any knowledge of the SDS over the period.

On the basis of the document review and interviews with former officials, I have seen:

- no evidence that anybody in the Department was aware of the practice by some officers to use identities of dead children;
- no evidence that the Department was aware that the agreed arrangements and Home Office funded accommodation included a risk of SDS officers forming relationships with individuals within groups under false pretences and the potential implications of this;
- no evidence that any Justice Campaign groups were 'targeted' by the SDS. This includes the Stephen Lawrence Justice Campaign;
- no evidence that the Department had any direct knowledge of any criminal activity and court appearances by SDS operatives which could lead to allegations of miscarriages of justice at a later date.

However, given the absence of documents within the Department and the passage of time, I cannot rule out the possibility that, at some point, an individual or individuals within the Home Office may have:

- a) been aware of the tactic to use the identity of a dead child;
- b) acknowledged that the squad it was funding included inherent risks of:
  - inappropriate relationships forming with individuals within groups;
  - criminality; and
  - court appearances using a false identity.

The records indicate some actions by SDS officers which would have been of interest to the Department at the time due to either the high level of risk involved; or the potential for embarrassment or illegality. There is no evidence that the Department was made aware of these matters at the time.

# Detailed Report

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## 1. Objectives and approach of this review

- 1.1 The objective of this review is to establish the extent of the Department's knowledge of the SDS and its activities during the 40 year period of its existence. This includes any knowledge of particular SDS operations which the Ellison Review has indicated raise cause for concern. In particular, identifying who knew what and when insofar as that is possible from a review of documentation and interviews. ***Where sensitive detail has been omitted from this report for security reasons, it will be provided separately to the Home Office so that there is a record in the Department.***
- 1.2 The approach has focused on:
- i) Identifying potential sources of evidence from the period within the Home Office and externally;
  - ii) Reviewing and analysing this evidence;
  - iii) Tracing and interviewing officials identified within the evidence to discuss issues arising from the detailed analysis and test recollections from the period.
- 1.3 I am grateful that all former officials willingly gave time to discuss the subject regardless of the fact that a considerable period of time had passed since each was in office:

### Exhibit 1: List of interviewees

Name	Role	Relevant Period
[REDACTED]	Permanent Secretary	1975 - 1977
[REDACTED]	Deputy Under Secretary	1978 - 1982
[REDACTED]	Permanent Secretary	1979 - 1988
[REDACTED]	Assistant Under Secretary	1981 - 1983
[REDACTED]	Head of Division	1983 - 1985
[REDACTED]	Deputy Under Secretary	1984 - 1987
[REDACTED]	Deputy Under Secretary	1987 - 1989

- 1.4 I am also grateful for the support and assistance from the Department particularly the Police Integrity and Powers Unit and Information Management Services (IMS).
- 1.5 I would also like to note my appreciation for the invaluable support and assistance from the Operation Herne Team. This team is carrying out a separate and detailed investigation but allowed me access to all documentation as well as being available to respond to a range of queries as and when required. This has been pivotal in enabling this investigation and report to be completed.

## 2. Background and context

2.1 The chronology for the history of the SDS is set out in the following exhibit.

### Exhibit 2: Chronology of SDS from 1968 - 2008

Date	Commentary
<b>1968</b>	Special Operations Squad formed within Special Branch following Grosvenor Square demonstration against Vietnam war.  Supported by Home Office which provided direct and dedicated funding.  Special Branch officers deployed to covertly assimilate into protest groups and report back on tactics.  Agreed to review every 6 months.
<b>1969 - 1989</b>	Reviewed annually by Home Office and annual funding agreed.  Annual summary required by Home Office and annual report required by Commander of Special Branch. To be prepared by SDS DCI.  No requirement for SDS Annual Report to be reviewed by Home Office although it was the funding body.
<b>1972-1973</b>	Name changed to Special Demonstration Squad.
<b>June 1989</b>	Annual link to Home Office severed. Letter from Deputy Under Secretary of State to say that annual authorisation no longer required. SDS still considered valuable but Home Office has no further need to know of resource and management aspects unless something of real concern occurs.
<b>1989-2008</b>	Funded by Metropolitan Police within overall allocation.
<b>1997</b>	Name changed to Special Duties Squad.
<b>2008</b>	Squad ceases to exist.

Source: Operation Herne.

2.2 The evidence from the period demonstrates a valuable role played by the SDS and brave and committed officers who gathered intelligence which was used to the benefit of the Metropolitan Police and wider society for a long period. This fact must be noted. However the context for this review and Operation Herne are the critical issues in relation to some aspects of the SDS which continue to be relevant today and are likely to continue to be raised through the courts.

### 3. Sources of documentary evidence of links between Home Office and SDS

This investigation did not identify any retained evidence available in the Department of any correspondence, discussions or meetings on the SDS for the 40 year period from 1968 to 2008. The only records relating to SDS held within the Home Office are very minimal (24 letters covering the whole 40 year period) and were only recovered recently from Operation Herne.

Detailed file searches failed to identify any documents of relevance and although a consistent file reference is available, there is no record to show where this file is or when it may have been destroyed. The absence of any current record of this reference number in Departmental systems is a concern given that the material would have been classified as Secret or Top Secret. It is not possible to conclude whether this is human error or deliberate concealment.

3.1 In order to assess the awareness of SDS activities in the Home Office between 1968 and 2008, this review has attempted to identify all potential sources over the period. Given that much of this period pre-dated widespread computer use, the expectation was that any documents would be available in paper format.

#### 3.2 Home Office

3.2.1 At the start of the review, the only known written evidence available from the Home Office was a series of 24 letters written from the Department to Special Branch from 1968 to 1988. The letters mostly deal with funding authorisations and were recovered from Operation Herne.

3.2.2 Previous exercises in the Department to identify evidence related to the SDS had failed to identify any documents. Reference to this was identified in two internal file notes dated October and November 2012 which included the following comments from that time:

- Information Management records reviewed in July 2012 and nothing identified;
- Policy files on development of Regulation of Investigatory Powers Act 2000 (RIPA) reviewed and nothing identified re SDS;
- Discussions with members of RIPA development team indicated no SDS documents identified;
- No details unearthed on SDS funding provided by Department from 1969 – 1989 (Memo from official to Home Secretary 1 November 2012).

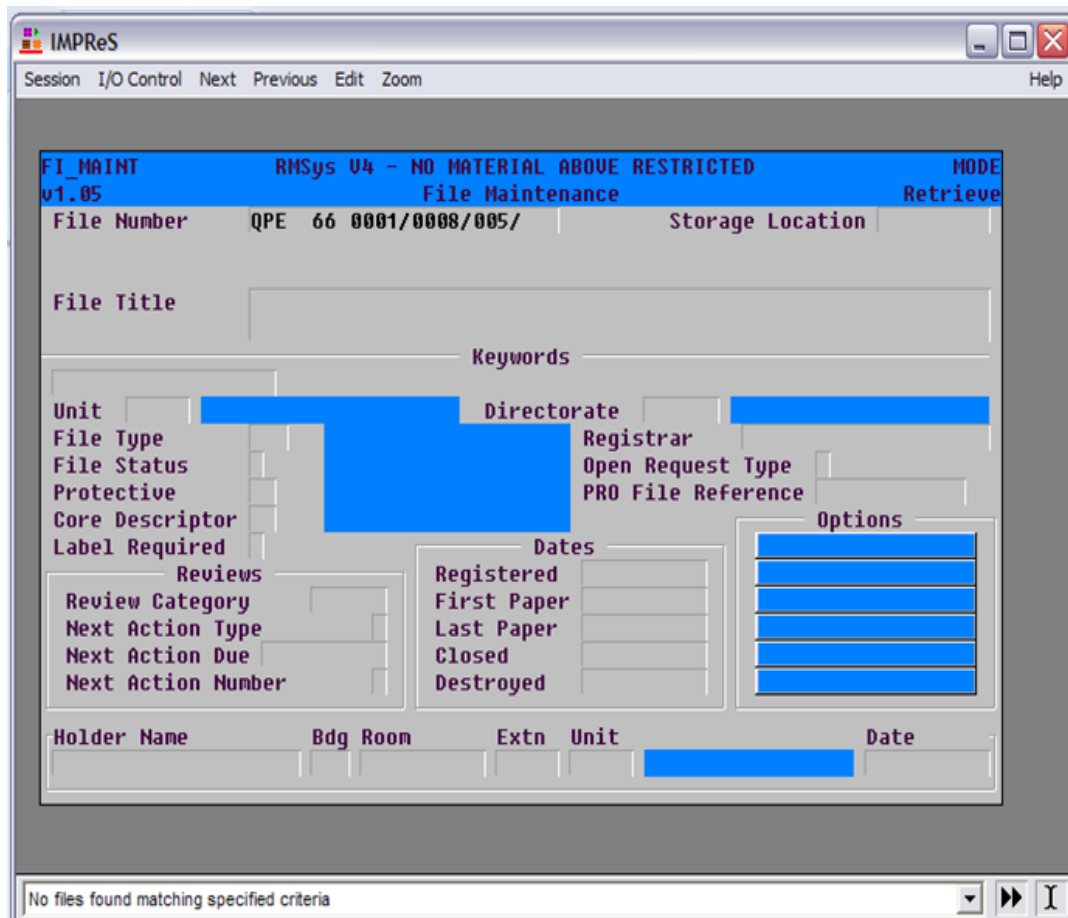
3.2.3 The letters referred to above contained a consistent file reference **QPE 66 1/8/5** in respect of all correspondence and over the entire period. The file reference is the Queens Peace Series which are files concerning the



maintenance of public order. The number 66 indicates that the relevant file was created in 1966 which was prior to the SDS being set up. This suggests that the file title would not refer to the Special Demonstration Squad (or its previous incarnation SOS).

- 3.2.4 A search of the Departmental database failed to locate this file or any record to indicate what may have happened to it. The screenshot below is provided as evidence that there is no record of this file in the Home Office RMSys system.

**Exhibit 3: Outcome of search for key SDS file on Departmental system.**



- 3.2.5 There was however evidence of other files in the same series which were reviewed to establish any similarities. The analysis is as follows indicating limited similarities in the neighbouring references in the file sequence:

#### Exhibit 4: Evidence of Queens Peace File Series in Department (Ref 1-10 only)

File ref: QPE 66 1/8	Title	Location
1	Security measures – vetting procedures. No sub-title.	Destroyed 2000
2	Security measures – continued liaison between Special Branch and security service, 1966-1969.	Stored and on database
3	Security measures – review of division of responsibility between Special Branch and security service, 1967-1968.	Stored and on database
4	Unknown	Missing
5	<b>Unknown</b>	<b>Missing – considered to be the Departmental SDS file</b>
6	Security measures – vetting procedures. Six monthly conferences, 1968-1971.	Stored and on database
7	Unknown	Missing
8	Security measures – vetting procedures. No sub-title.	Destroyed 2000
9	Security measures – vetting procedures. No sub-title.	Destroyed 2000

3.2.6 Existing files either side of the relevant file with reference QPE 66/1/8/3 and 6 as well as file QPE 66/1/8/50 were all recovered and checked to test for misfiling and no items of relevance were identified.

3.2.7 The Information Management data storage process uses a bar coding system for all files submitted for storage and this has been the case since around 1995. All files in the system should have a clear record of where they are stored or when they were destroyed. In this way, there is a clear trail for all files and this clearly worked for six out of the nine examples in the table above.

3.2.8 In discussions with IMS staff, the failure to identify a known file reference could be due to a number of reasons including:

- i) Destroyed prior to bar coding system being introduced and no record kept;
- ii) Destroyed in accordance with procedures since but record deleted;
- iii) Wrongly recorded by IMS;
- iv) Still held by someone within the Department;
- v) Lost;
- vi) Destroyed but outside of normal procedures.

3.2.9 In the absence of the above file, opportunity was taken to search the Department's database with the help of staff in Information Management and using a range of key words. These searches failed to identify any direct references to the SDS on any files on the database. A sample of files was

recovered from storage where it was felt that there could potentially be some relevant documents but these also contained no material relating to the SDS.

- 3.2.10 An electronic data search was also requested so that the Information Management Team could check for any electronic documents that might refer to SDS on the Corporate Filing Plan (CFP). This also revealed no items.
- 3.2.11 Finally, this review took place at the same time as a separate review into historical child abuse and potential missing files relating to this. This separate review included a physical search of all storage facilities within the Department to ensure that any 'missing' files have not simply been forgotten or left in a desk or cupboard. The brief for this work was extended to include searching for SDS references and a number of files were recovered for scrutiny.
- 3.2.12 The files recovered largely related to more recent deliberations relating to the SDS and the National Public Order Intelligence Unit (NPOIU) which was created in 1999 with a similar brief. Some older files were also recovered but there were no references or documents relating to the SDS.
- 3.2.13 On the basis of above, my conclusion is that the key file which contains the evidence of Home Office interaction in relation to the SDS from 1968 to 2008 probably no longer exists and there is no record of what happened to it. It is known that this file would have included documents classified as Secret and Top Secret. The absence of any record of the file or the known reference number in Departmental systems is a concern and it is not possible to conclude whether this is human error or deliberate concealment.
- 3.2.14 Furthermore, outside of the series of letters obtained from Operation Herne, and on the basis of detailed investigation as part of this review, there appears to be no record in the Department of anything related to the SDS during its years of operation from 1968 – 2008.

### **3.3 The National Archive**

- 3.3.1 Whilst it is considered unlikely that any relevant material would be retained in The National Archive (TNA) due to its nature, this was explored for completeness.
- 3.3.2 The Public Records Act 1958 requires government departments to select records for permanent preservation within a statutory timeframe (currently in transition from 30 to 20 years) and in line with The National Archives advice and guidance including the records collection policy.

- 3.3.3 Public records selected for permanent preservation are reviewed for sensitivity and transferred to The National Archives as open records, as closed records (or with closed extracts) in line with the Freedom of Information Act, or retained by the government department if approved by the Lord Chancellor. Requests to retain records beyond the usual 30 year period are approved by the Lord Chancellor after consideration by the Advisory Council on National Records and Archives. Retention of records should be reviewed every 10 years. Feedback from TNA suggested that only 5% of documents are archived.
- 3.3.4 File searches were undertaken on the QPE reference noted earlier and the evidence obtained from TNA records replicated the summary shown in the table above. The TNA records use reference HO325 for the QPE series and there is no reference in TNA to file QPE 66 1/8/5 on the database. However, the other recorded files in Exhibit 4 were identified.
- 3.3.5 A series of file searches were also carried out using key words and no references to SDS were identified.

### **3.4 Operation Herne**

- 3.4.1 Operation Herne is the independent investigation led by Chief Constable Mick Creedon into the SDS with terms of reference to review the former SDS from its origin in 1968 to closure in 2008. The review covers a wide range of activities and to date, Operation Herne has produced three reports on: Use of Covert Identities, Allegations of Peter Francis and Mentions of Sensitive Campaigns.
- 3.4.2 In order to carry out the on-going investigation, Operation Herne has managed to secure a considerable volume of documentary evidence related to the SDS.
- This includes:
- paper documents from the historical Special Branch archive, Commanders Archive and the Metropolitan Police general archive;
  - personnel, legal and professional services records; and
  - data recovered from 38 SDS hard drives which comprise 50,000 electronic files.
- 3.4.3 Documents have been scanned and stored on the Counter Terrorist Home Office Large Major Enquiry System (CT HOLMES) and the Forensic Tool Kit (FTK) is available to interrogate the hard drives including deleted files.
- 3.4.4 Full access to the Operation Herne data has been allowed as part of this review within parameters agreed to preserve the integrity of the investigation. The paper documents include the Metropolitan Police copies of correspondence

with the Home Office from 1968 to 2008 plus reports and memos which include Home Office references.

#### **Operation Herne paper files**

3.4.5 The paper files reviewed comprised a significant volume of material including:

- Annual correspondence from Special Branch to Home Office seeking on-going authority and the budget requests for SDS;
- The internal Metropolitan Police requests for release of the Home Office funding once allocated; and
- Annual reports on SDS.

3.4.6 The records include 48 documents directly linked to the Home Office over the period together with a range of other documents of indirect interest. The vast majority of detailed documents of interest are in the period from 1968 to 1989 which was the point where direct funding from the Home Office ceased. The material is analysed in detail in the following section.

#### **CT HOLMES**

3.4.7 Analysis of the CT HOLMES system and interrogation of key words identified scanned copies of the above paper documents and some additional material which has also been analysed.

#### **Forensic Tool Kit**

3.4.8 The Forensic Tool Kit was used to interrogate the 38 SDS hard drives and 50,000 recovered files. This again used key words and identified only one reference to a document already seen which dated from 1989. Given that Home Office direct funding ended in 1989 and there is limited paper documentation after this date, this is not surprising.

3.4.9 In summary, although no substantive records were found within the Department, it is argued that the Operation Herne data represents the most complete record available for the purposes of this review. It is not possible to say that this includes all evidence of all Home Office interaction with the Metropolitan Police on SDS matters. However, the absence of any significant data from other potential sources suggests that there is a high probability that the Operation Herne material is all that exists.

### **3.5 Security Service**

3.5.1 The opportunity was also taken to discuss the review and review any relevant documentation held by the Security Service. In response to a request from the Operation Herne Team, the Security Service had previously searched all

systems and collated all available documents which referred to the SDS. A report based on this information, giving an overview of MI5's relationship with the SDS, was made available for the purpose of this review, as were the parameters of the searches, which were confirmed to be thorough. However, the report includes the caveat that it is not possible to state with certainty that this identified every document and every reference.

- 3.5.2 The files confirm that the Security Service was aware of the SDS from 1974 and was involved in regular liaison from that period. The liaison relationship was largely based on SDS provision of intelligence arising from SDS operations, where that intelligence was relevant to the functions of the Security Service.
- 3.5.3 There was no evidence in the documents reviewed of any liaison or correspondence between the Security Service and the Home Office in relation to the SDS. Indeed the only reference to the relationship between the Home Office and the SDS on the files related to a conscious decision by Special Branch not to refer a specific operational matter to the Department.

#### **4. Analysis of the evidence**

- 4.1 The significant Home Office documents are the annual requests from Special Branch for funding up to 1989 which were responded to by the Home Office with an emphasis on the need to ensure that the arrangements remained secret. Much of the correspondence with Home Office references also refers to routine administrative matters such as provision of cash advances from within the Metropolitan Police once the Home Office funding allocation had been provided, and transportation.
- 4.2 The detailed evidence within Operation Herne includes an annual report on activities and intelligence gathered which became more thorough and detailed over the years. There is no evidence that the detailed reports were routinely seen by the Home Office during the years of operation. Indeed in 1982, an internal police file note explicitly confirms this. The only exception was years 1983 and 1986 when it was clear that the detailed operational reports were reviewed by the Home Office. This is covered later.
- 4.3 The table in Appendix A (omitted from published report due to classification) summarises the main issues within the documentation for each year together with the Home Office personnel involved. Most items were classified as 'Secret' and any 'Top Secret' items are identified. The more detailed analysis of each item of correspondence is not appropriate for this report and has been provided separately. Additional information setting out issues of interest to the Department has also been provided separately for security reasons.

#### **5. What did the Home Office know of SDS?**

In headline terms, the Home Office knew that:

- Between 1969 and 1989, it was providing a separate and secret budget to meet the costs of accommodation as well as transport costs for covert officers;
- Operations and officers deployed by SDS were extremely covert;
- Groups and organisations were deliberately targeted, monitored and infiltrated to gather intelligence. Over the years, a small number of Home Office officials were aware of some specific groups;
- In the period from 1990 to 2008 after direct funding stopped, only two references were identified to indicate any Home Office links to the SDS.

- 5.1 The evidence shows that the Home Office initially agreed to the concept and establishment of the SDS in 1968 following the anti-Vietnam War demonstrations. The establishment of the SDS as a secret and covert unit required officers to have accommodation and the Home Office funded this directly through a separate budget to the Metropolitan Police from 1969 until 1989.

- 5.2 An annual summary of SDS activity was prepared by Special Branch and there is no evidence that this was seen by Home Office officials with the exception of years 1983 and 1986. However, headlines from the annual report were included in the annual budget request to justify on-going funding and broadly indicate the types of groups and organisations being infiltrated and the intelligence being gathered. These reports vary in detail over the years as demonstrated in Appendix A (omitted from published report due to classification).
- 5.3 The budget request and approval of the separate sum was specifically to pay for the expenses of covert officers who were living separate lives. The annual letters refer to the costs of accommodation as well as equipment for the accommodation. Transport costs for covert officers were also met by this separate allocation from the Home Office.
- 5.4 Initially, the view from the Home Office was that the squad should not be a permanent fixture. Much of the correspondence from the Home Office throughout the early period is explicit about the need to maintain the highest level of secrecy. One letter in 1969 refers to concerns that the arrangements 'could leak out and criticise the Home Secretary' and one in 1970 refers to the potential for 'acute embarrassment to the Home Office'. It is clear from the correspondence that this nervousness in the early years related to the fact that accommodation was being funded by the Department rather than specific operational issues.
- 5.5 In interviews with former officials as part of this investigation, there was very little recollection of anything related to the SDS and no official could confirm exactly why the letters from the Department expressed such a degree of nervousness. The most obvious explanation was, as expected, that it was due to the unconventional nature of the policing activity which focused on deliberate targeting and infiltration of certain groups.
- 5.6 Direct budget allocation ceased from 1990 with a message from the Deputy Under Secretary of State at the time that the Home Office no longer needed to be aware of resource and management issues unless issues of real concern occurred. Once the formal funding link had been severed and accountability was no longer required, there appears to have been very little involvement from the Department. Apart from two references, this investigation did not identify any evidence of any links between the Department and the SDS from this point until the unit closed in 2008.



## 6. How much operational detail were Home Office officials aware of?

The Department was specifically aware of:

- A number of the groups which were targeted, monitored and infiltrated each year from 1969 to 1989;
- The type of intelligence gathered from the covert operations, including some specific cases where arrests followed as a result;
- The detailed operational activity and all groups infiltrated in 1983 and 1986.

There is no documented evidence of any Home Office knowledge of:

- detailed operational methods or activities other than the retrospective headlines produced by Special Branch.

- 6.1 The annual report produced by Special Branch sets out the detailed activities of the SDS each year from 1968 for internal police use only. These reports list all groups targeted, monitored and infiltrated in the year as well as the intelligence gathered but do not specify any methods of working or detailed covert operational issues. There is certainly no evidence at all of any Home Office influence in relation to the targeting and infiltration. Officials interviewed as part of the investigation were quite clear that the Department would not have interfered in operational matters which are the remit of the police.
- 6.2 The headlines from these reports formed the basis of the annual funding letters to the Home Office and over the years included some examples of the groups infiltrated, key events and intelligence gathered. On two occasions, Home Office officials requested more details and there is clear evidence that the reports for 1983 and 1986 were seen by officials.
- 6.3 The 1983 report review followed a request by the Deputy Under Secretary of State [REDACTED] on behalf of the Permanent Secretary [REDACTED] for more information to see how the squad had adapted since its inception. A review was undertaken by an official and whilst there is reference to a report being produced, this has not been traced. All officials have been contacted as part of this investigation and whilst there was some limited recollection of the SDS, none had any recollection of the review or a report being prepared.
- 6.4 In respect of the 1986 report, a similar request came from the Deputy Under Secretary of State, [REDACTED] who was new in office. On both occasions, the Department was satisfied with its findings and funding continued albeit only until 1989.

**Exhibit 5: Headlines from operational activities seen by HO officials in 1983 and 1986 (Full detail of groups provided separately for security reasons).**

1983 Annual Report	1986 Annual Report
<p><b>Operational activity</b> 48 groups infiltrated or monitored and all named;</p> <p>Intelligence summarised from key activities including detailed intelligence gathered from some groups:</p> <ul style="list-style-type: none"> <li>• Number of activists;</li> <li>• Organisational developments;</li> <li>• Campaigns by groups and planned campaigns;</li> <li>• Potential threats.</li> </ul> <p><b>Personnel</b> Number of officers in field and supervisors.</p> <p><b>Welfare</b> Details providing assurance on how isolation was managed.</p> <p><b>Security issues</b> Assurances on security and comment on subsequent deployment.</p> <p><b>Accommodation</b> Comments on scarcity in London, costs and need to change.</p> <p><b>Transport</b> Details on covert officers' transportation.</p> <p><b>Budget</b> Details of expenditure and variances from budget for year. Highest cost was rents (£14,731 and misc. operational expenses £12,768).</p>	<p><b>Operational activity</b> 63 groups infiltrated or monitored and all named;</p> <p>Intelligence summarised from key activities including detailed intelligence gathered from some groups:</p> <ul style="list-style-type: none"> <li>• Number of activists;</li> <li>• Organisational developments;</li> <li>• Campaigns by groups and planned campaigns;</li> <li>• Reference to individuals detained following SDS intelligence;</li> <li>• Potential threats.</li> </ul> <p><b>Personnel</b> Number of officers in field and supervisors.</p> <p><b>Welfare</b> Details providing assurance on supervision to ensure welfare issues managed.</p> <p><b>Security issues</b> Assurances on security and refers to liaison with Security Services and post field counselling. Mentions awareness of potential for infiltration within groups being targeted and unsuccessful efforts by freelance journalists to unearth covert officers.</p> <p><b>Promotion</b> Notes exam failures.</p> <p><b>Accommodation</b> Comments on costs and changes required.</p> <p><b>Transport</b> Details on covert officers' transport.</p> <p><b>Budget</b> Details of expenditure and variances from budget for year.</p>

## 7. Was there less formal dialogue on SDS activities?

It is not possible to say with certainty that there were meetings and discussions on SDS activities as no records exist. However, it is a reasonable assumption that there would have been some discussions over the period as it is possible that documents marked Secret or Top Secret at the time, may have been hand delivered.

- 7.1 There is no evidence of any dialogue in relation to the SDS outside of the correspondence from Operation Herne. It is inconceivable that there would have been no discussions within the Department or with Special Branch or the security services. In particular, it is possible that the annual reports may have been delivered by hand which could have prompted a discussion. However, the nature of the SDS suggests that these may not have been recorded, and if they were, there is no available record.
- 7.2 In discussions with an official who was in post in 1984, he was able to recall discussions on the SDS with the Commander and Deputy Assistant Commissioner at the time but quite understandably did not recall any of the detail.
- 7.3 Another former official who was directly involved in the authorisation of the annual budget in the 1980s could not recall the process but did suggest that any such authorisation at the time would have normally been accompanied by a short briefing either verbally or in writing by a civil servant. This would have provided the senior civil servant with the assurance that the letter could be signed with confidence. As stated above, no records could be found to support this.
- 7.4 A report into the SDS was prepared by a Detective Sergeant in the Metropolitan Police in 2008 which has been made available as part of this review. This was a desktop review based on paperwork without the benefit of any interviews. It asserts that 'It would appear, reading between the lines, that personal briefings were the order of the day'. There is no evidence to support this assertion portraying a closer relationship and as part of this review, the original author has confirmed that the comment was informed speculation on his part. This was possibly on the basis that many of the letters authorising SDS continuation are rather bland implying that there must have been separate conversations.

## 8. Were Ministers kept informed of SDS activities?

In the absence of any Home Office documentation, there are only three direct references of any Ministerial involvement or awareness of SDS activities during the entire period. It is clear that on one occasion, in a year of a significant and risky operation for the SDS, there was a briefing to the Home Secretary who expressed approval of the activities.

- 8.1 Without the ability to refer to any Home Office records, it is not possible to confirm how aware the Home Secretary would have been at any time. The evidence available from Operation Herne does provide five references (three direct) only during the 40 year period. The final reference is the only one post 1989 and was in CT HOLMES:

### Exhibit 6: Evidence of Ministerial involvement

Year	Home Secretary	Reference
1969	J Callaghan	<i>Indirect reference</i> Letter from HO refers to concerns that information on SDS arrangements 'could leak out and criticise Home Secretary.
1970	R Maudling	Annual letter from HO mentions that SDS was discussed with Home Secretary.
1973	R Carr	<i>Indirect reference</i> Letter in December 1971 requested an update in January/February 1973 to allow Home Secretary to be consulted. (No evidence available to confirm that this happened).
1988	D Hurd	Letter from Deputy Under Secretary of State mentions that SDS work has been referred to Home Secretary 'who expressed his approval'.
1993	M Howard	Minister was due to meet SDS with Commissioner to thank them for efforts during Welling riots. Ultimately, the Home Secretary was unable to attend.

- 8.2 The feedback to the Home Secretary in 1988 followed the Home Office review of the SDS letter and summary report for 1987 which includes references to infiltration of a number of groups and in particular the arrest of two individuals (activities not described here but provided separately to Department) at 'great risk to an SDS officer'.

## 9. How was the SDS funded by the Home Office?

The Home Office authorised and provided the separate and secret budget allocation to specifically meet the costs of SDS accommodation and transport only, from 1969 to 1989. This was deliberately kept outside of the mainstream Metropolitan Police funding, possibly either due to the national significance of SDS work or to maintain the level of secrecy. The level of funding requested grew significantly year on year. There is no evidence of challenge to the budget request or scrutiny of expenditure by the Department once the allocation was agreed.

9.1 Between 1969 and 1989, the Home Office provided a separate and secret budget to the Metropolitan Police to meet certain costs of the SDS on the basis of the annual request outlined above. The annual budget started as £3,000 and had grown to around £49,000 by 1988/89. The budget request was specifically for accommodation and related costs plus transport only. In 1989, annual authorisation of the specific SDS allocation ceased and the SDS was funded from within the overall Metropolitan Police allocation until 2008. The last figure seen in the files quoted a budget of £108,788 in 1995.

9.2 The table below indicates the budget allocations throughout the period:

### Exhibit 7: Budget allocation from Home Office for direct funding 1969 – 1989.

Year	Budget £	Year	Budget £	Year	Budget £
1969	3,000	1976/77	8,600	1982/83	30,000
1970	3,500	1977/78	9,800	1983/84	35,000
1971	4,000	1978/79	11,200	1984/85	42,000
1972/73	5,500 <sup>1</sup>	1979/80	16,880 <sup>2</sup>	1985/86	42,000
1973/74	6,500	1980/81	19,400	1986/87	45,000
1974/75	7,500	1981/82	22,310	1987/88	46,575
1975/76	8,600	81/82 update	25,000	1988/89	48,996

9.3 The peculiar point about the funding is that it was a specific and separate allocation requested by Special Branch and just in order to pay for accommodation and transport costs which were authorised by the Department. For 20 years from 1969 to 1989, the Home Office provided this annual budget separately rather than within the main allocation to the Metropolitan Police.

9.4 Most letters were personally addressed to the Permanent Secretary or a Deputy Under Secretary and classified as Secret or Top Secret. This point has been discussed in the interviews with former officials who were the addressees and signatories of the annual letters. The passage of time is acknowledged and none could recall the process

<sup>1</sup> Change in financial year from calendar year. Budget allocation for 15 months.

<sup>2</sup> Includes consolidation of £4,000 previously funded from the Met Police Incidental Fund.

of annual budget approval or why the budget was separate. However, one former Permanent Secretary speculated that it may have been an agreed method to maximise the secrecy because of the unconventional nature of the expenditure. Keeping it outside of the mainstream allocation would have enabled knowledge to be contained within a few people without the need for a formal audit trail.

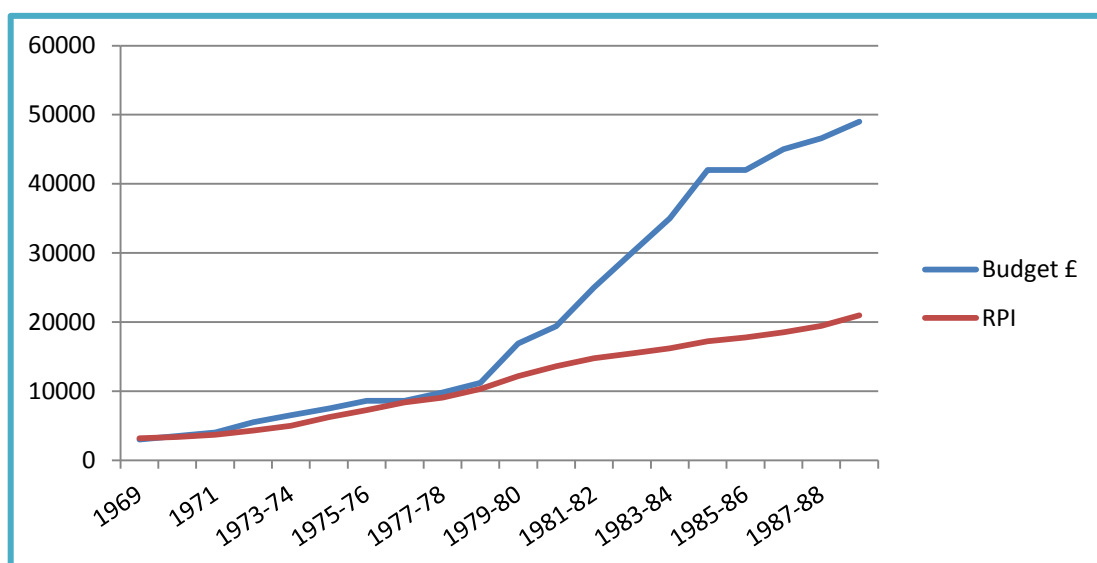
9.5 Another Permanent Secretary helpfully suggested that there always was a special arrangement for the financing of Metropolitan Police work of national significance. This was based on an argument that the Metropolitan ratepayer should not bear the whole cost of Ministerial and Royalty Protection for example. The same point was also suggested by a former Deputy Under Secretary and if correct, this was a natural precedent for a special arrangement for the Special Demonstration Squad.

9.6 In my view, both of the above provide a plausible rationale for separate funding in order to minimise scrutiny. There is no record to indicate why this suggested rationale (if correct) changed from 1989 and became part of the mainstream funding.

9.7 The level of funding requested from the Home Office included modest increases slightly above inflation from 1969 until after 1980. At this point, the annual increases in the budget requested from the Home Office were in the order of £5,000 to £7,000 or 17% to 25% when inflation was significantly lower than this. In 1983 and 1984, the large increases related to growth in strength of the unit and associated accommodation costs.

9.8 The graph below illustrates the funding growth over the period under Home Office authority with a comparison made against basic RPI data for the period as a crude comparator.

**Exhibit 8: Graph of growth in budget from 1969 to 1989 compared to inflation.**



- 9.9 The correspondence reviewed for the period gives no indication of challenge from the Home Office in respect of the funding in any year. It appears that the request from Special Branch with a figure was readily agreed to without any comment, negotiation or scrutiny unless this was off the record. Given the significant growth in some years, this is surprising, although possibly explained by the fact that it was such a small part of overall police expenditure.
- 9.10 Once the allocation was approved and provided to the Home Office, it was managed within the Metropolitan Police Finance Departments. Evidence indicates that certainly in the early years of the SDS, all dealings were in cash with covert officers being provided with cash sums to pay accommodation costs and other expenses directly. It is not possible to confirm how long this continued for. There are occasional references to audits from the Metropolitan Police Finance Department which reconciled cash in hand to receipts and dockets. There is no evidence of review by the Home Office in relation to financial control and value for money from its resources in the entire 20 year period until the budget became part of the overall allocation.
- 9.11 The expenditure details in the two annual reports reviewed in 1983 and 1986 are the only references that would definitely have been seen by the Department but there is no commentary available to indicate any judgement on this. In order to provide some context and background detail, the analysis of expenditure from 1982/83 is provided below:

**Exhibit 9: Expenditure details from 1982/83 as shown in Annual Report**

Item	Expenditure £
Rents	14,732
Gas and electric	1,275
Phone	1,032
Rates	1,663
Operational expenses (equipment for flats, subscriptions and fees, publications, transport costs, etc.)	12,768
<b>Total</b>	<b>31,470</b>

## 10. What controversial operational activities were the Home Office aware of?

The correspondence and the history demonstrates valuable intelligence gathering over a long period by many brave and committed officers. However, the SDS is tainted by some controversial aspects which are in the public domain. In relation to these, only a small number of officials in the Department had any knowledge of the SDS over the period.

On the basis of the document review and interviews with former officials, I have seen:

- no evidence that anybody in the Department was aware of the practice by some officers to use identities of dead children;
- no evidence that the Department was aware that the agreed arrangements and Home Office funded accommodation included a risk of SDS officers forming relationships with individuals within groups under false pretences and the potential implications of this;
- no evidence that any Justice Campaign groups were 'targeted' by the SDS. This includes the Stephen Lawrence Justice Campaign;
- no evidence that the Department had any direct knowledge of any criminal activity and court appearances by SDS operatives which could lead to allegations of miscarriage of justice at a later date.

However, given the absence of documents and the passage of time, I cannot rule out the possibility that, at some point, an individual or individuals within the Home Office may have:

- a) been aware of the tactic to use the identity of a dead child;
- b) acknowledged that the squad it was funding included inherent risks of:
  - inappropriate relationships forming with individuals within groups;
  - criminality; and
  - court appearances using a false identity.

### 10.1 Covert identities

10.1.1 The first report by Operation Herne referred to the practice by some SDS officers to use identities of dead children as part of the cover story. Operation Herne has confirmed in its reports that this practice was used by some, but not all of the SDS operatives over the period. The report suggests that over 40 officers used this tactic from around 1971 until the practice ceased around 1995.

10.1.2 This practice was set out in the informal rules and guidance for the SDS, the 'Tradecraft' manual and endorsed by SDS management. This investigation has identified no evidence that the Home Office had any awareness of this tactic at the time. Former senior officials interviewed as part of this investigation are



aware of the practice now via media reports and some were adamant that had the Department been aware, the practice would not have been tolerated.

10.1.3 Whilst acknowledging the strength of opinion of those interviewed, it is clear that the tactic was accepted as routine and promoted by SDS management. I cannot therefore rule out the possibility that, at some point, someone in the Home Office may have been aware of it.

[REDACTED]

## **10.2 Relationships with undercover officers and individuals in groups**

10.2.1 This issue remains subject to legal action and has been reported in the press in some depth. In relation to this brief, the issue is whether the Home Office was aware of the implications and risks of relationships developing between SDS officers and individuals within the groups being targeted.

10.2.2 There is no evidence or reference to this in any of the documents reviewed. However, the correspondence in the early years stresses the nervousness of the Department and in 1969 this refers specifically to 'the unconventional nature of the accommodation'. It is not possible to explain exactly what this meant.

10.2.3 In a situation where young officers were assuming a separate identity and encouraged to infiltrate groups, it is likely that they would need to gain the trust and confidence of individuals over a long time. As a result of this, recent records in the public domain allege that certain officers had intimate relationships with group members and further allege these developed under false pretences. This will continue to be tested at some point in the future by the courts and therefore no further comment is appropriate here.

10.2.4 I have discussed this point with retired officials who could not recall the risk being considered. When tested on the specific point, the universal view was that this would have been a matter for SDS management to deal with through promoting the appropriate culture and dealing with any issues as they arose.

10.2.5 During the period of the SDS, there were only a small number of officials in the Department who were close to SDS matters and understood the method of deployment. In my opinion, it is reasonable to suggest that some of these may have acknowledged and accepted that there was a risk of relationships forming

which could potentially cause significant difficulties at a later date. However, in the absence of evidence, this is only speculation.

### **10.3 Issues referred to in Ellison Report - Justice Campaigns**

10.3.1 The brief for this review followed the Ellison Report into the Stephen Lawrence investigation and Inquiry. This report in March 2014 included consideration of 'whether there was inappropriate undercover activity directed at the Lawrence family'. The report was unable to arrive at a definitive conclusion on this point which drew on allegations from a former SDS operative.

10.3.2 The activity of SDS operatives in relation to this and other justice campaigns was reported separately in the third Operation Herne report in July 2014. This concluded that 'There is no evidence of covert operations targeted against any of the respective families or Justice Campaigns'. The Herne report thus provides a response to the issue on 'targeting' the Stephen Lawrence campaign that was not definitive in the Ellison report. I have seen no evidence to contradict this conclusion.

10.3.3 In the two years when the Home Office did have access to the detailed SDS activity (1983 and 1986), the list of groups includes a small number of justice campaigns (not disclosed here). I have confirmed that these were included on the list as peripheral to larger groups they may have allied to. The larger groups were targeted and peripheral intelligence on justice campaigns gathered as a result. I have seen no evidence that justice campaigns were infiltrated directly.

10.3.4 Outside of the above, there is no documented evidence of any Home Office involvement or awareness in any SDS operations in the entire period under review and no feedback on any intelligence gathering post 1989.

### **10.4 Issues referred to in Ellison Report - involvement in criminal activity and potential miscarriages of justice**

10.4.1 The Ellison report included a postscript on Undercover Policing which mentioned the potential for SDS operatives to become involved in criminal activity because of the nature of their deployment. Indeed, the report concludes that 'the concept was, it appears, approached flexibly by some officers'. Records show that where this happened, officers went through the court process in the undercover name and the Ellison report poses the question of whether this deceit may have led to unfairness in proceedings. This is now part of a separate investigation.

10.4.2 The evidence suggests that the risk was understood and accepted by Special Branch. There is no evidence that the Home Office was directly aware of any

instances but it is argued that, at some point, someone within the Department may have acknowledged that the risk existed in the same way as the relationships point above. In an interview with one former Permanent Secretary, he suggested that either the Department may not have thought it through properly or, alternatively may have chosen not to do this on the basis that it was an operational matter for the police who would manage any issues.

10.4.3 The brief for this investigation is solely related to the SDS. However, for the record, the file review does show that the Home Office is now aware of some evidence of criminal activity from within the National Public Order and Intelligence Unit created in 1999. This information arose in retrospect following the investigation of actions by a former undercover officer.

## **11. Are there significant operational issues that the Home Office should have been aware of?**

The records indicate some actions by SDS officers which would have been of interest to the Department at the time due to either the high level of risk involved, or the potential for embarrassment or illegality. There is no evidence that the Department was made aware of these matters at the time.

- 11.1 The records available as part of this review included examples of operational activity arising from long term infiltration into groups which involved significant individual and wider risk. It is not appropriate to repeat these issues here but the records have been reviewed to assess whether the Home Office was aware.
- 11.2 There is no evidence available to indicate that the Home Office was aware of these issues. Operational issues are clearly for the police to decide but in some cases, it is possible that:
- the risks were so significant to be unacceptable; or
  - there was potential for embarrassment to the Government; or
  - there was potential illegal activity by covert officers.
- 11.3 In such cases, it may be argued that the Department should have been made aware of the potential risks. In discussions with some former officials, this view was shared. Details have been provided separately for the record.