

H1/o wondered whether the Legal Adviser, David Bickford, who had clashed with Walker at the meeting, might resign (though, in the event, he did not do so).⁵⁷ The controversies aroused by the review helped to produce an important cultural shift. By 1992 it was accepted that:

Strategic planning is the principal role of the Management Board, supported by H1. Board members have corporate, non-partisan responsibilities in this regard in addition to their individual command roles.

... Strategic planning [is] now part of annual resources management cycle of objective setting, planning and performance review. A review of strategy each summer begins the cycle.⁵⁸

(Along with the Service's increased capacity for strategic thinking went a growing acceptance of jargon – even a belief among some staff that it was expected of them.) Debate on how far the Service should move into new areas of work – countering the proliferation of weapons of mass destruction, supporting the police against organized crime, defending the UK's 'economic well-being', investigating animal-rights extremists – continued into the mid-1990s.

In March 1992, the Security Service proposed to the Interdepartmental Working Group on Subversion in Public Life (SPL) that it cease keeping a record of 'rank-and-file members of subversive organisations', once the first assignment of most new graduate entrants. The SPL agreed that 'this change will not involve any increased risk to national security.' The proportion of subversives detected by the Security Service during vetting had declined from 2.7 per cent of all applicants in 1971 to 0.06 per cent in 1990. 'This decline', it reported, 'parallels the national decline in subversive organisations.' Since the 1970s the number of organizations identified as subversive had fallen from over seventy to around forty-five, and their total membership from 55,000 to around 14,000. Only six of the organizations had more than 400 members. None represented any significant threat to national security. The Service had found no evidence in recent years that any subversive group had deliberately set out to obtain classified information.⁵⁹

The illusion within Whitehall that the 'peace dividend' produced by the end of the Cold War should extend to the intelligence community as well as to the armed services led to budget cuts for the Security Service (as for SIS and GCHQ) which made necessary the first compulsory redundancies since the Second World War.⁶⁰ Like Washington and the government machines of other allies, Whitehall failed to grasp that, even though the

threat of thermonuclear war was far lower than it had been for forty years, the increased diversity of potential threats to national security, especially from terrorism, pointed to a need for more, rather than less, intelligence. The culmination of the intelligence budget negotiation was a 'Star Chamber' in which ministers whose departments were the main intelligence consumers put to the heads of the agencies, as it seemed to Rimington, the most awkward questions their officials could devise:

You knew that whatever you were proposing, you would be given less, and drawing attention to the comparative cost to the country of a successful IRA bomb in the City of London and a few more thousands of pounds spent on counter-terrorism never seemed to work. I came away wondering ruefully why I had put so much effort into stopping them all getting blown up.⁶¹

In November 1993 the DG announced to staff the depressing news that the Major government had decided, on the recommendation of the PUS Committee, 'that over the next three financial years we must find the funding for additional work necessary against PIRA from within our own resources, as well as producing some further savings on top of those already presented in our [financial] Plan, as a contribution towards reducing Government expenditure'. In the view of Stephen Lander, who became Director H in 1994,⁶² Rimington's negotiating skills within Whitehall helped to 'fight off the worst cuts'.⁶³ Over the next two years, however, almost 300 staff were retired early. In all, the Service lost over 400 jobs, nearly 20 per cent of its total strength. As Lander later acknowledged, 'Our success at handling this painful episode was mixed.'⁶⁴ Despite Rimington's skill in dealing with Whitehall, she seemed a somewhat remote figure to those in Thames House worried about their jobs. In Manningham-Buller's view, she was 'better externally than internally as DG, not always comfortable with staff'.⁶⁵ The painful problems of redundancy were compounded by the travails of moving towards a record-keeping system increasingly based on computerization rather than paper files. When Lander became Director H, the Service used a Unix word-processing system called GIFTED CHILD, which malfunctioned so frequently that it was nicknamed SPOILED BRAT. Lander took the risky but ultimately successful decision to buy Linkworks, which, as well as working with Unix, enabled the Service to switch to PCs and use Microsoft software.⁶⁶

The dramatic post-Cold War shift in the Service's operational priorities and public profile, combined with painful staff and budget cutbacks, prompted the unprecedented decision by the Board in April 1993 to put staff morale on its agenda every six months.⁶⁷ Concern for morale also led