



Rt Hon. Louise Haigh MP
First Secretary of State and Chancellor of the Duchy of Lancaster
Cabinet Office 70 Whitehall London
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Simon Hoare, Chair Public Administration and Constitutional Affairs Committee
[By email]

21 July 2026

Dear Simon,

MACHINERY OF GOVERNMENT CHANGES

The Prime Minister has made clear his ambitions to rewire Whitehall, and install a renewed focus on regional growth through devolution and a new approach to economic policy making across the country. To deliver on those ambitions, the Prime Minister has taken decisions to strengthen the Centre of Government and to undertake a series of Machinery of Government changes.

I am writing to you as Chair of the Public Administration and Constitutional Affairs Committee to draw your attention to these changes. This is in addition to the Written Ministerial Statement that the Leader of the House of Lords has placed in the House of Lords. I have copied this letter to all relevant select committee chairs impacted by these changes.

STRENGTHENING THE CENTRE OF GOVERNMENT

The Cabinet Office will be the nerve centre of the state, dedicated to three core roles: supporting Prime Ministerial decision-making, leading a high-performing Civil Service, and driving the Government's priorities across every department.

To support this, we will be establishing No10 North, and creating the 'Office for the Prime Minister and Cabinet' (OPMC) - the collective name for No.10 Downing Street and No.10 North, and teams serving the Prime Minister and the Cabinet in the Cabinet Office. We will also be streamlining the department serving the Prime Minister and the Cabinet by separating the business services and operational delivery teams into a professional delivery agency - the OneGov Delivery Agency - as well as undertaking various Machinery of Government changes to ensure the delivery of the department is aligned with its core purpose.

NO 10 NORTH

In order to establish No.10 North as the engine room for a new economic approach for Britain, flowing power to regions and driving good growth in every postcode, a small number of strategic Machinery of Government changes will take place into the Cabinet Office and be part of No.10 North. These are:

- Local economic growth policy, from HMT; and
- Local economic growth and devolution strategy, from the Ministry of Housing, Communities and Local Government (MHCLG).

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MHCLG and HMT, alongside other departments, will work closely with No.10 North in partnership to develop and deliver this priority.

We will also establish in the OPMC, an AI taskforce. Supported by a Prime Ministerial adviser on AI, this central team will drive the Government's overall strategy on AI to unlock the opportunities it holds for growth, prosperity, and public sector transformation. The Cabinet Office will also take the lead on AI adoption across the Civil Service, reflecting the urgency of delivering that transformation for the benefit of people across the country. To deliver this step change, responsibility for AI strategy, public sector AI adoption and the AI Security Institute will move to the Cabinet Office.

ESTABLISHING ONEGOV

To support the Cabinet Office in delivering only what it can and should deliver, we will be establishing OneGov Delivery Agency. This will establish a unified space to deliver services to customers including the wider public sector and government departments 'once and well', driving efficiency and effectiveness with excellent service outcomes as its mission. OneGov will be led by Clive Maxwell as CEO and 2nd Permanent Secretary.

We will be transferring functions and staff to OneGov over the coming months in order to be fully established for the next financial year, and will complete a full mapping over the summer to consider further areas which might be better suited to the new agency.

WIDER MACHINERY OF GOVERNMENT CHANGES

The UK stands at a critical juncture where unprecedented global changes demand that we secure our position as a world leader in AI and technology. Science and technology - especially the dramatic development of AI - are having an increasingly large impact across all areas of government policy and economic growth. In this context, we cannot see science and technology as an isolated issue, limited to one department. But a major priority that cuts across the whole of government and is vital to the UK's future economic prosperity. As such, the functions of the Department for Science, Innovation and Technology will be redistributed to align with the core economic and social agenda. We will:

- Rename the Department for Business and Trade as the Department for Business, Innovation, Science and Trade (DBIST). to bring together the Department for Business and Trade, with science and innovation policy from the Department for Science, Innovation and Technology. DBIST will connect the UK's world-class science and technology base directly to the businesses, places and workers that will drive good growth across the country.
- Rename the Department for Culture, Media and Sport as the Department for Digital, Culture, Media and Sport (DCMS) to bring together the current Department for Culture, Media and Sport remit with tech sector oversight, and key digital economy functions from the Department for Science, Innovation and Technology. This reflects the inseparable nature of culture and technology as drivers of our country and the modern economy.

RELOCATING PRIORITY POLICY AREAS FROM THE CABINET OFFICE

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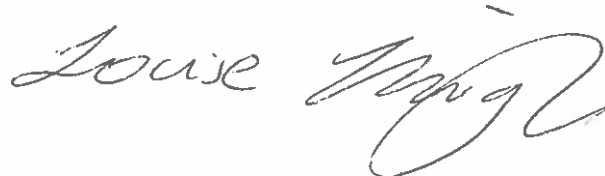
Finally, we will also be relocating a number of priority areas out of the Cabinet Office to other Government departments to slim down the centre of government and align them with departments suited to their purpose. This will include:

- Office for Equality and Opportunity, which will be transferring to the Ministry for Housing, Communities and Local Government to align with its remit for social cohesion, communities and faith.
- The Public Sector Fraud Authority, which will be transferring to the Department for Work and Pensions with continued sponsorship from HM Treasury to create a strengthened counter fraud centre of excellence across policy and delivery.
- Office for Impact Economy, which will be transferring to the Department for Digital, Culture, Media and Sport, aligning with the DCMS civil society remit bringing policy and delivery together in one place.
- The Investment Security Unit, which will be moving to the Department for Business, Innovation, Science and Trade to align with economic security and national investment decisions.
- The remaining elements of Digital Identity policy to the Department for Digital, Culture, Media and Sport.

The Prime Minister said at Cabinet that he and the Cabinet Secretary are fully committed to ensuring the partnership between the civil service, ministers and special advisors is positive and respectful as we work together to transform the country. I will be working very closely with her to implement these changes.

I would be happy to answer any further questions that the Committee may have after recess, but I hope that this letter provides some reassurance and clarity in the meantime.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Louise Haigh', with a stylized flourish at the end.

Rt Hon. Louise Haigh MP
First Secretary of State and Chancellor of the Duchy of Lancaster