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Alex Chisholm  
Civil Service Chief Operating Officer  
and Cabinet Office Permanent Secretary  
22 April 2021

William Wragg MP  
Chair, Public Administration and Constitutional Affairs Committee  
House of Commons  
SW1A 0AA

Dear William,

When the Cabinet Secretary and I appeared before PACAC in October, we committed to writing to follow up on the actions that the Civil Service was taking in light of the Dunlop Review.

This is all captured in the letter that Chancellor of the Duchy of Lancaster wrote to Lord Dunlop, which we have attached for reference. We did, however, want to draw your attention to the appointment of Sue Gray as Permanent Secretary for the Union, as the creation of this position was one of the recommendations in the Dunlop Review.

A number of actions for government set out by the Chancellor of the Duchy of Lancaster in response to Lord Dunlop's report require ongoing work. We will be pleased to update the Committee periodically on our progress.

Yours sincerely,

**Alex Chisholm**

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Rt Hon Michael Gove MP  
Chancellor of the Duchy of Lancaster  
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Lord Dunlop  
House of Lords  
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Dear Andrew,

Thank you so much for all your brilliant work demonstrating how the UK Government and devolved administrations can work more effectively together on behalf of all our citizens. Your review of UK Government Union Capability has pointed the way to a series of constructive and pragmatic reforms which will ensure we serve all our citizens better. This Government has already set to work ensuring we can co-operate more effectively with elected representatives across the UK and your Report has been an indispensable part of that project.

From the moment we received your report we have been keen to implement policies in line with your recommendations. They accord completely with the Prime Minister's desire to make the devolution settlement work more effectively and strengthen the power of the UK as a force for good.

The experience of the COVID-19 pandemic has only underlined the importance of administrations working closely together across the UK and it has reinforced the need for strong UK Government leadership to protect lives and livelihoods. The vaccine programme, which has resulted in more than 25 million citizens being vaccinated across the UK, more per capita than in any country in Europe, is a testament to the strength of UK institutions. UK scientists, backed by UK Government investment, have pioneered health breakthroughs. And our NHS and the UK's Armed Forces have ensured effective delivery of the jabs.

Alongside that work, the broad shoulders of the UK Treasury have provided financial support through the furlough scheme and the extension of universal credit to keep citizens in work and support them through challenging times.

UK Government ministers have also worked with their counterparts in the devolved administrations to co-ordinate the response to the virus, sharing knowledge and pooling resources to the benefit of all. An update on the frequency and intensity of that co-operation is being published today.

A central recommendation of your report is intensified and structured cooperation between Governments. We have worked through the Intergovernmental Relations Review to put our co-operation on an even better footing. We wanted to conclude that work alongside the

publication of your report to demonstrate our determination to live up to its ambition. We have made considerable progress in recent months, not least thanks to the efforts of the Minister for Constitution and Devolution, Chloe Smith, but the review has not yet, finally, been concluded to every party's satisfaction and imminent elections in Wales and Scotland mean the work must be, for a brief moment, suspended.

We are, however, publishing today the new areas of structured co-operation which have been agreed and those areas where agreement is still to be reached so citizens can be re-assured that this work is making progress.

By publishing these updates alongside your report, it is possible to see how seriously and determinedly we have been pursuing the ambitions you set out for us, and which we wholeheartedly share, to strengthen the ties that bind us across the whole United Kingdom.

Overall, in response to your work and as a reflection of the Prime Minister's desire to strengthen our United Kingdom we have been

- Working with the devolved administrations to establish new structures that maintain regular, meaningful and effective cooperation between the UK Government and the devolved administrations;
- Establishing and regularly convening the Union Strategy Committee, chaired by the Prime Minister. This is supported by a Union Policy Implementation sub-committee which I chair and serve as a reflection of the UK Government's priorities;
- Creating a new GOV.UK page to report on the significant amount of joint working and cooperation between the UK Government and devolved administrations. This, alongside commitments to report regularly to the UK Parliament on IGR activity, is improving the transparency and accountability of IGR and promoting effective work between administrations;
- Making significant progress towards concluding the joint review on intergovernmental relations, as demonstrated by the status update we are publishing today alongside this response.
- Making knowledge of the Union and devolution issues a focus of the revamped civil service training programme; and boosting devolution learning and development opportunities for new and senior civil service leaders in all administrations;
- Creating a dedicated Union non-executive board member within departments; and;
- Increasing civil service reach across the UK by committing to moving 22,000 roles out of London and the South East by 2030, including to UK Government hubs in Scotland, Wales and Northern Ireland.

### **Structure of Government**

Turning now to these reforms in more detail, you make a series of recommendations about how the UK Government and civil service should be structured in order to best serve citizens across the UK – and, indeed, how we should structure the relationship between the UK Government and the devolved administrations.

At present, day to day responsibility for constitutional integrity falls to me as the Chancellor of the Duchy of Lancaster and the Minister for the Cabinet Office. Individual Secretaries of

State also have a critical role in representing the distinctive voices and interests of Scotland, Wales and Northern Ireland in Whitehall and in Cabinet; representing the UK Government in each of these nations; and in coordinating the UK Government's work with the devolved administrations to support all citizens of the UK.

Looking to the future, all departments have made structural changes that will help ensure UK-wide issues are properly considered and sit at the heart of policy making. Across government, we are working to ensure we have the right official resource. Every UK Government department has, for example, made a member of their board and also a non-executive director responsible for coordinating work across all parts of the UK. Additionally, the Cabinet Office will be setting up a Union Advisory Group, to provide a forum for high-level strategic discussions between the UK Government and expert stakeholders who represent a range of interests, helping shape our approach and realise opportunities across all nations and regions of the UK.

### **Civil Service Capability and presence**

We agree with your recommendation that more civil servants should have a visible presence in Scotland, Wales and Northern Ireland. The more geographically dispersed system of government we are introducing will ensure that the UK Government fully represents all parts of the UK. It will see 22,000 civil service roles moving out of London and the South East to the regions and nations of the UK by 2030. The UK Government hubs in Scotland, Wales and Northern Ireland will house senior officials from key departments, including in a newly created DIT Trade and Investment hub in Edinburgh. Our recent announcement that the Cabinet Office is opening a second headquarters in Glasgow will bring hundreds of new jobs designed to support the strongest possible recovery in Scotland – ministers and civil servants working alongside business, civil society and elected leaders. Also joining us in East Kilbride will be 500 new colleagues working for the FCDO.

Departments and civil servants will also be better equipped to look after the interests of all their fellow citizens in the UK thanks to our revamped approach to Government knowledge and skills, with its renewed commitment to devolution and intergovernmental working in training and policy development. New measures include:

- an explicit focus on devolution as a fundamental part of working in government at all grades in our recently published plan, *Better Training, Knowledge and Networks: the New Curriculum and Campus for Government Skills*;
- new learning interventions and materials to build union capability in the UK Government Civil Service; and
- learning for Directors General and Permanent Secretaries through the National Leadership Centre and Leadership Academy.

We also want to encourage better networking for civil servants between administrations, for them to share ideas and pool expertise; and also to encourage more porous policy making that will see us work more closely with academia and civil society. The aim of these initiatives is to draw on the greatest range of available talents as we seek to create exemplary public services and infrastructure across the four nations.

In addition, we will highlight to people the value of pursuing their career in more than one part of the UK. More Fast Stream places will be offered in the devolved administrations and Territorial Offices. We will double the participants on our successful UK Government Interchange programme and agree reciprocal schemes with the devolved administrations, including the Northern Ireland Civil Service.

Finally, a new, intergovernmental long-term loans scheme will enable 60 people, including members of the Senior Civil Service, to spend up to two years in a different administration, working in priority areas. Half will be civil servants from the Scottish and Welsh Governments and Northern Ireland Executive, working for the UK Government. The remaining placements will be for UK Government civil servants split between devolved administrations.

### **Spending**

Our approach continues to be that individuals and businesses in all parts of the UK will benefit from UK-wide investment. Our commitment to strengthening the Union is no more evident than in the recent Budget, a budget for the whole of the United Kingdom. Most of the policies announced in the Budget were UK-wide, for example, extensions to furlough and self-employed schemes, Universal Credit and Working Tax Credit extension, support for the armed forces, Recovery Loans Scheme, Mortgage Guarantee Scheme, Super Deduction capital investment, Levelling Up Fund, Help to Grow, visa reforms and the Community Ownership Fund.

We continue to work closely and collaboratively with the devolved administrations across many different policy areas and to deliver various funding schemes, including City and Growth Deals. Through the 2021 Budget, the UK Government confirmed an acceleration of funding for 6 different Deals across Scotland and Wales and on 24 February, partners signed the Heads of Terms for the Derry-Londonderry and Strabane Growth Deal in Northern Ireland.

The Budget also allocated almost half of the £400 million 'New Deal for Northern Ireland' package where the Northern Ireland Executive is involved and announced up to £30 million towards the Global Centre of Rail Excellence in Neath Port Talbot, alongside investment by the Welsh Government, which will support innovation in the UK's rail industry, including the testing of cutting-edge, green technology. The UK Government also committed £27 million for the Aberdeen Energy Transition Zone, helping to support North East Scotland to play a leading role in meeting the UK's net zero ambitions.

The financial assistance power in the UK Internal Market Act 2020 will operate to complement the devolved administrations' own schemes, alongside various collaborative programmes. It will allow for funding from the UK Government to be directly spent across the UK, in infrastructure, training and educational activities and exchanges, and the kind of cultural, sporting and economic development that supports our ambitions to level up and strengthen the whole UK.

The power, in addition to the devolved administrations' existing powers, allows the UK Government to strengthen the support given to citizens, businesses and communities in Scotland, Northern Ireland and Wales. This will allow the UKG to deliver investment more flexibly and dynamically alongside the devolved administrations, local authorities and other

partners. This includes the UK Shared Prosperity Fund (UKSPF), available from 22/23, as well as the UK Community Renewal Fund, Levelling Up Fund, which will accept projects from communities in every single part of our country, and Community Ownership Fund, which will be available UK-wide from 21/22.

The UK Government intends to work with the devolved administrations and other public authorities to make sure that the financial assistance power in the UK Internal Market Act 2020 is used to its best effect and that funding supports citizens and delivers impact for communities and businesses across the UK.

### **Intergovernmental relations**

The Government strongly agrees with you about the need to open up intergovernmental relations (IGR) to more scrutiny, to encourage greater collaboration. We are pleased today to be publishing a progress update on the joint review of IGR with the devolved administrations which, as you will see, aligns closely with your recommendations. Although we have not been able to conclude all of the review ahead of the pre-election period, despite having discussed these issues for over three years, the progress update indicates the direction of travel and significant improvements to the system we would like to make.

Since devolution, IGR have evolved in line with the administrations' changing needs. Our new arrangements, guided by the draft principles published in July 2019, reflect the UK's constitutional context today: notably the increased powers and responsibilities of the devolved institutions and the UK Government's regained powers over domestic policy outside the European Union.

The package seeks to replace the Joint Ministerial Committees with a system of governance that will help to build long-term trust between governments and provide clear escalation routes in the case of disputes. Engagement will be conducted through departmental Interministerial Groups and cross-cutting Interministerial Committees, overseen by the top-level UK Government and Devolved Administrations Council. This will support effective and regular consultation and, when appropriate, joint decision-making, in areas of shared interest. As a result, we will be able to work together, speak more regularly and act more smartly, for the benefit of citizens and businesses across the UK. Work will be supported by an impartial IGR secretariat serving all governments equally.

As you will have seen, the UK Government has already moved to support a new era for IGR with measures to improve our reporting on intergovernmental activity, heralding greater transparency, accountability and parliamentary scrutiny, and enabling the administrations to work together more effectively in the future. Today we are also publishing our first quarterly IGR transparency report in line with our transparency measures.

We believe that this forward-looking approach to IGR will promote a culture of collaboration and cooperation, protecting the integrity of the Union as we move into the UK's next constitutional phase. We will also continue to reflect on the arrangements to ensure they remain fit for purpose.

### **Public bodies and appointments**

Every citizen and community relies on public services, and in turn on the public bodies that provide them on behalf of the UK Government. These public bodies must work in a way that represents and strengthens the UK.

A forthcoming review programme of Arm's Length Bodies (ALB's) is an opportunity to consider Union-related issues and capabilities.

It is also vital that our public bodies with a UK-wide remit deliver for all UK citizens and reflect our communities nationwide. In its drive to attract a wide geographical spread of talented leaders, the Government is developing a new website for public appointments to make it easier for applicants across the UK to apply for important roles. It will also publish data about where public appointees are based, in order to boost transparency and enable targeted recruitment campaigns in under-represented areas.

### **Communications**

The UK is built on the strong foundations of hundreds of years of cooperation and solidarity – a unique history that your Report fully recognises. It is a family tree that offers incomparable benefits – national, economic and social security, international standing and the ability to project our values. By setting up a new Union Hub in autumn 2020, the Government Communications Service is well placed to remind people of the many clear benefits of our strong family ties.

Given this, the Government accepts your recommendation about the importance of UK Government branding. Indeed, the Cabinet Office continues to work closely with other government departments and ALBs to ensure that our communications in the nations are as effective as possible.

Finally, you also recommended revising and extending the programme of analysis that was completed before the 2014 independence referendum in Scotland. We carefully considering our response to this recommendation, recognising the circumstances now are very different to those in 2014, however we agree with the underlying principle on the importance of data transparency.

Once again, I hope it is evident from our response to your Report and its recommendations how grateful we are to you for your independent and expert assessment analysis. During the past year, it has been the impetus behind a wide-ranging programme of reform – one that I and my colleagues will continue to pursue vigorously.

**With every good wish,**

*and huge thanks,  
Yours,  
Michael*

**Rt Hon Michael Gove MP  
Chancellor of the Duchy of Lancaster  
and Minister for the Cabinet Office**