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Sir Suma Chakrabarti KCB  
Permanent Secretary  
Department for International Development  
1 Palace Street  
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22 November 2007

Dear Suma

Following the Cabinet Office Capability Review, you agreed to undertake a study of the role that the Cabinet Office should play at the centre of government, looking at:

- the principles that the Cabinet Office Board should use in determining what functions should be in the Cabinet Office;
- the appropriate styles and modes of operation that the Cabinet Office should use in discharging these functions;
- how far the Cabinet Office should mandate certain common standards and processes, and taking a view on what these should be; and
- proposals for a compact setting out the respective roles of the Cabinet Office and Departments.

We heard your conclusions at the April 2007 Top 200 event and afterwards at a meeting of PSMG. More recently at Autumn Sunningdale we discussed how we would take some of the recommendations you proposed forward.

Since your report was circulated in July, there have been some significant changes in the ways in which we work at the centre, following the change of Prime Minister. The Prime Minister's lead officials are now based within the Cabinet Office. Closer working between Cabinet Office, Number 10 and the Treasury has already begun. So in some respects the context in which your recommendations were couched has changed. At the same time, there are still some very valuable suggestions in the report for the Cabinet Office; the wider centre; Departments; and the way we work together that I believe we should adopt.



At Autumn Sunningdale colleagues told us what they saw as the priorities coming out of the report:

1. The establishment of a robust governance system to make key decisions on issues of compliance and funding around common standards, processes and assets.
2. A rigorous funding model for common standards, processes and assets, which supports the rapid implementation of compelling cases, with strong Departmental ownership
3. The Cabinet Office offer should include an overarching view on Government priorities. CO should help departments look beyond their boundaries.
4. The extent of central involvement with line departments should vary according to Government priority and line department capability.
5. The governance package for PSMG, CSSB and its Subgroups should be re-launched with greater clarity on relationships between the various bodies, their terms of reference, prioritised work programmes, and how their performance will be assessed.

These accord with my own view of our priorities, in particular that we need to concentrate on our corporate governance processes and our implementation of common standards and processes. In addition the ways of working you proposed are valuable input to the work we have been doing on behaviours and values, and I am asking that they be incorporated into that.

I have asked Alexis Cleveland to lead and co-ordinate these actions, as part of her role in managing the Cabinet Office. You will be aware that we have already begun thinking about how to implement some of these areas. Nick Macpherson shared a paper on funding with us at the last CSSB meeting; Leigh Lewis' work on standards for leave and maternity and paternity provisions has made a good start on some common standards in Human Resources; and we discussed and agreed corporate governance arrangements at Autumn Sunningdale and at the last PSMG meeting. The pre-Autumn Sunningdale reference groups my office organised before the event were part of a pilot approach exploring how CSSB could consult and communicate better with PSMG. As you know, post-Autumn Sunningdale, we will now be taking that approach forward formally.

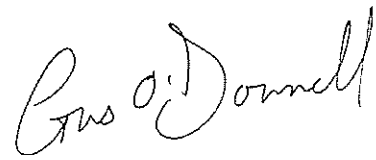
Alexis Cleveland has begun to develop an implementation plan setting out in more detail how we are responding to the review. For example we discussed at the last meeting of the Civil Service Steering Board how to institute projects to look at standardisation of common processes. I will be asking colleagues to contribute their time to these.

We have begun to consider what a compact would look like in the light of your recommendations. Autumn Sunningdale feedback indicated that colleagues believe that a compact needed to be brief, and to reflect a methodology for assessing Government priorities and potentially reprioritising, as well as a funding mechanism for common processes and assets. We are now working with Treasury to produce a compact that covers their relationship with departments as well as ours. We have also responded to calls for better feedback processes for departments by instituting a stakeholder survey.

Finally I would like to thank you again for the significant time and effort you and your team contributed to this Review. I've spoken about my desire to see everyone at every grade think about how they can contribute more to their organisation and to the Civil Service more widely – your Review is an example of just how much can be done. I am confident that in implementing it we will continue to learn how we can work better together.



Copies of this letter go to Wednesday Morning Colleagues.

A handwritten signature in black ink that reads "Gus O'Donnell". The signature is written in a cursive style with a large, prominent 'G' and 'D'.

Gus O'Donnell

