

The National Infrastructure and Service Transformation Authority

How to set NISTA up for success



Introduction

Merging the Infrastructure and Projects Authority (IPA) and the National Infrastructure Commission (NIC) into the National Infrastructure and Service Transformation Authority (NISTA) is a significant undertaking for the new Government. Changes in the machinery of government often come with complexity, disruption and cost, and this increased risk can undermine confidence.

APM consulted a panel of project experts, who agreed that despite these obstacles, there could be benefits to this merger. Our pool of specialists comprised senior project professionals with experience across the world and multiple sectors, most of whom have worked with or for the IPA or NIC.

This paper shares what they deem to be the chief priorities over the next 12 months, detailing the practical aspects that should be considered when merging these two bodies. For us at APM, this is about laying the foundations for NISTA's long-term success.

The panel's medium to long-term priorities for NISTA are also considered. All the recommendations are based on the Chief Secretary to the Treasury's aim for a cost-neutral merger.

Support for the Minister's team

Our panel has offered their support to the Minister and are happy to be called upon should their advice be needed.

We can arrange a roundtable led by Dr Andrew Schuster, a chartered project professional and former partner at PwC, who has consulted on some of the most complex programmes and projects in the world.

Setting up NISTA for success – the next 12 months

Here we consider the panel's top-line recommendations to set up NISTA successfully in the next year.

1) Run the merger as a transformation programme

Our panel was unanimous in its view that the merger should be treated as a transformation programme, including clear outcomes and quantified benefits, reinforced by thorough cost-benefit analyses and timelines.

The panel recommends appointing the following positions as soon as possible:

- **An individual to lead the transformation.** This person should be named publicly and will be an experienced transformation specialist confident at executing a merger of this scale in Government.
- **Set up a steering group.** Led by the transformation specialist, this group would be comprised of experts to oversee the transition and include people from the IPA and NIC.
- **Name a programme sponsor.** This person will promote, advocate and shape project work. The panel has recommended either the Chief Secretary to the Treasury, the Chancellor of the Exchequer or the Paymaster General within Cabinet Office.

2) Identify NISTA's governance structure as a priority

As the IPA and NIC have differing priorities and specialisms, uniting them will be challenging.

Our panel agreed that the structure should integrate the IPA and NIC while recognising their distinct functions. As NIC's experience relates to economic infrastructure, whilst the IPA's remit includes economic, social, military, ICT and transformation infrastructure, NISTA's structure should incorporate the NIC into a new directorate, alongside the departments of the IPA, as well as the newly proposed service transformation directorate, reporting to the former CEO of the IPA.

There are many competing voices on infrastructure across government which can lead to confusion about ownership. The governance must be clear on the outline of NISTA's roles and objectives, especially as complex projects often involve multiple government departments, and clarity will embolden staff morale. Governance change alone will not lead to the change that the new Government wants to achieve, without considering the resources, mandate, powers and authority given to NISTA.

3) Involve the private sector in the creation of NISTA

The Government must be seen by the private sector to be playing a new active role as the convenor for infrastructure delivery.

Although there is limited evidence that the Government is poor at project delivery, the panel agreed that there is some private sector scepticism about the Government's ability. There is also a perception that the IPA and NIC should have more authority in projects beyond their current remits.

Panellists also noted confusion over project ownership because of 'competing voices on infrastructure' across government. The governance must be especially clear on NISTA's role in complex projects involving several government departments.

4) Review the shape and size of the Government Major Projects Portfolio (GMPP) to clarify strategic alignment over the next 12 months

The GMPP has grown significantly in recent years. In this year of transition, NISTA should not be overprogrammed to do too much, as this will undermine both the delivery of the GMPP and the development of NISTA.

The panel has recommended the use of strategic needs assessments to prune the GMPP and determine future priority projects. Decisions must give equal weight to cost efficiency and benefits

realisation. Only projects that have both a clear link to the strategic needs of the country and an evidenced high level of design maturity should be approved.

5) Get assurance right

Interviewees were critical of the reliance on National Audit Office (NAO) reviews, due to them being conducted when a project is already in progress. Instead, they favoured the IPA's real-time assurance mechanisms and stressed the need for more expertise:

- The Government must recruit more experienced assurance professionals.
- These professionals must have experience in designing and implementing global assurance management frameworks.
- Assurance must be independent and managed by an objective third party.
- Project leaders and sponsors must have stronger assurance competencies.

The assurance management framework should include point-in-time reviews, temporary reviews, risk deep dives, and guide decision-makers. The reviews need to be strategically coordinated across departments, with clear terms of reference and purpose. Overall, these enhanced risk management practices, robust funding decision-making processes, and the ability to leverage high-quality data and analytics across key control areas will be crucial to success.

6) Develop NISTA alongside the government's other reforms over the next 12 months

Creating an industrial strategy before NISTA is set up will limit what it recommends. Reforming the planning system without reforming the way the Treasury handles major projects will only shift blockages further down the pipeline.

The panel is clear that NISTA should be formed alongside and in unison with the Government's other reforms to avoid such issues arising in the future.

Medium to long-term recommendations

NISTA will inherit the systemic barriers faced by the NIC and the IPA. To secure the future of projects, the Government must act to achieve effective project delivery for generations.

The following medium to long-term recommendations were identified by our panel as essential to be actioned within the next few years:

1) Harness diverse competencies

The panellists approved of aligning the strategic expertise of the NIC with the delivery expertise of the IPA but were concerned about losing employees, and consequently a reduced level of competence and diversity. APM's research indicates that that competence and diversity in teams are essential conditions and dynamic conditions for project success¹². In this regard, the panellists outlined the following skills as key for retention in NISTA: projects, knowledge management; delivery; policy and strategy; and leadership.

In terms of understanding, senior responsible owners (SROs) and sponsors must possess a deep comprehension of their roles and consistently demand high standards, supported by thorough training, mentoring, and resilience-building. The use of a well-trained sponsoring group further ensures the delivery of high-quality outcomes. NISTA should continue to commit to the career paths, development and competencies set out in IPA's project delivery capability framework³.

On project skills, experts should be appointed from the policy development stages of projects, to apply the concept of "think slow, act fast" and ensure realistic assessments⁴. We advise that at least one Chartered project professional (or working towards Chartered) is present at this stage of the process and recommend Chartered (or its equivalent) to be mandated as the default for senior officials in control of major projects, providing another level of assurance to each Government project.

2) Continue to review the GMPP in line with realistic budgets

Our panellists acknowledge that the Treasury is aiming for a cost-neutral merger. Mindful of the current economic climate, the Government must continue with streamlining the GMPP as outlined above; and consider interventions to strengthen existing infrastructure to reduce demand; and actions to ease government procurement processes.

All panellists stated that investment in technical expertise, capacity and resources is essential to improving project delivery. We risk destroying the great work already done by the IPA if we don't capitalise on their successes and fund both NISTA to be effective and increase investment in infrastructure.

With this in mind, our panellist's principal long-term recommendation is that when the Government is in the position to do so, it should allocate more funding to both NISTA and to infrastructure spending in general, and "be brave in its approach" to major projects. We must consider lessons from abroad, such as the USA, which spends significantly more on major infrastructure than the UK, which has substantially uplifted its economy.

3) Develop trust and enable cross-party collaboration

The Government should adopt transparent practices to increase communication on projects and improve project delivery. The merits of this were covered in detail within Lord Maude of Horsham's review of Civil Service Accountability and we want to see those recommendations adopted in full.

To further increase trust, we recommend cross-party collaboration on NISTA. Successful projects have often been due to cross-party collaboration with success designed for the country, not just for the Government. NISTA's recommendations and strategy should therefore be debated annually in

¹ Association for Project Management commissioned research, 2015. [Conditions for Project Success](#).

² Association for Project Management commissioned research, Eggleton, D. et al., 2021. [Dynamic Conditions for Project Success](#).

³ Infrastructure and Projects Authority. 2021. [Project Delivery Capability Framework](#).

⁴ Flyvbjerg, B. & Garner, D., 2023. How big things get done.

Parliament, and its implementation work should be scrutinised as the IPA is scrutinised through the Public Accounts Committee and National Audit Office.

At the BAU stage of NISTA, decisions in the delivery process of projects, for example, the cancellation of a major project should be adequately contested and scrutinised by Parliament – there can be no repeat of the way HS2 to Manchester was handled. We recommend that Ministers are effectively informed and guided by trusted professionals on the consequences of their decisions on long-term major projects.

4) Continue to develop NISTA alongside and collaboratively with the Government's other reforms

A key part of the APM's manifesto was the need to reform current processes for project delivery. However, those reforms also need to link into each other. We highlighted the key immediate areas for reform within a year earlier in this document, but beyond this, Government must continue to examine and enhance its processes, accounting for the six areas of concern outlined later in this document to improve project delivery.

Government and NISTA should continue to conduct consultations with stakeholders, to understand what reforms are needed to both improve processes and modernise these in line with the rapidly developing project landscape. NISTA must be flexible in its approach to further strengthen relationships with businesses, unite stakeholders and cement the new authority's position as the convenor for project delivery.

Concluding remarks

The success of the new delivery authority centres on the government's ability to engage stakeholders, conduct thorough consultations and address the outlined challenges which we go into more detail in the next section. We have a huge opportunity here to link many parts of the Government manifesto together, strengthen industrial strategy and implement a system that will help us deliver more projects on time, on cost and scope.

Properly implemented, NISTA can significantly enhance project delivery across the UK, and we invite the Government to work with APM and its members, to ensure that happens.

The current picture

Within this part of the paper, we outline the current situation in Government and the key obstacles that our panellists said hindered project delivery, which helped to inform our recommendations.

How the NIC and the IPA function

The NIC provides the Government with impartial, expert advice and operates independently and at arm's length. The advisory body is focused on all sectors of long-term economic infrastructure strategy, covering the areas of energy, transport, water, and wastewater (drainage and sewage), waste, flood risk management and digital communications. The NIC delivers a National Infrastructure Assessment every five years, conducts specific studies on pressing challenges set out by the Government, as well as an annual infrastructure progress review monitoring Government action towards previously accepted recommendations. The Commission conducts its work within its remit and terms specified by studies established by the Government, but it independently determines its operations and recommendations.

The IPA is the Government's centre of expertise for infrastructure and major projects and plays a critical role in their delivery. The IPA reports directly to the Cabinet Office and HM Treasury, it oversees project lifecycles; measures how well projects are delivered; and publishes RAG assessments on the portfolio. The department supports the delivery of all types of major projects, ranging from railways, roads, schools, hospitals, and housing, to energy, telecommunications, defence, IT and major transformation programmes.

The current challenges

Our focus groups identified six areas of concern in government project delivery that NISTA will need to consider if it is to succeed, these being:

- 1) Overlapping responsibilities
- 2) Limited resources
- 3) Skills shortages
- 4) Mistrust
- 5) Bureaucracy
- 6) Risk

From these areas, APM identified the key recommendations which ensure NISTA can be delivered effectively and efficiently, ensuring the six areas of concern above are dealt with. The following section examines the six areas of concern in more detail.

The six key areas of concern

1) Overlapping responsibilities

Interviewees were overwhelmingly supporting of the IPA's role in project delivery, which was described as "well respected", and "very hands-on", but unfortunately there were some concerns that it worked "without status". The IPA's role remained "unclear" and most agreed with the statement: "The IPA needs more power".

One interviewee commented that the IPA issues significant amounts of guidance but is hampered by not being given enough authority to enforce this guidance. Whilst the IPA must approve projects for them to pass through stage gates, interviewees expressed frustration that the IPA could not cancel projects outright, but only pressure the Treasury and the project-owning department into making this decision. Experts felt the IPA's "lack of authority" limited its ability to interact with other departments and scrutinise projects, which was further hindered by a lack of routine data sharing. The 2023 Independent Review of Governance and Accountability in the Civil Service, conducted by Lord Maude of Horsham, outlined why this could be an issue, arguing that limited transparency in government restricts decision-making, leading to repetition of tasks, and decreasing the likelihood of achieving value for money⁵.

⁵ Lord Maude of Horsham, 2023. [Independent Review of Governance and Accountability in the Civil Service](#).

Overall, interviewees recognised the significant role the IPA plays in the delivery of projects and voiced that the Government must acknowledge the IPA's expertise by granting it more authority to enhance project outcomes. Previous Government attempts to reduce the IPA's budget seriously jeopardise its significant achievements.

Project professionals viewed the NIC as "highly thought of," effective at "shouting at government", and generally had positive comments about its recommendations. However, they felt that the NIC needed more "statutory rights and constitutional powers" and were concerned about the impact of the Commission losing its ability to effectively hold Government to account as an independent advisory body.

There have been significant efforts to improve collaboration across government, but complex projects, involving multiple departments, struggle to "establish effective governance and accountability arrangements"⁶. Interviewees acknowledged that overall, there is a diffusion of competing voices on infrastructure across the Government, which indicates a lack of systems thinking approach to project delivery, where there is a limited understanding of the needs of stakeholders, barriers, interventions, policies, structures, patterns and norms. One interviewee said: "accounts committees like the PAC, and departmental committees oversee capital projects and assurance functions which leads to the question: what's the IPA's role?", and another commented: "within the machinery of government... there are so many bodies involved in infrastructure... the No 10 delivery unit, IPA, Treasury, NIC, spending reviews teams...". All these departments' responsibilities overlap which leads to confusion about ownership, which interviewees attributed in part to poor communication, further amplifying concerns surrounding transparency and inefficiency in projects.

2) Limited resources

The Government Major Projects Portfolio (GMPP) has continued to grow in both size and cost, although the rate of growth slowed between 2022 – 2023. In 2023, the GMPP report comprised 244 projects with a total whole-life cost of £805bn and £758bn of monetised benefits. Although there is a challenging delivery environment, the proportion of the projects rated 'red' has fallen from 12% in 2022 to 10% in 2023, the value of these projects has increased year on year, and SROs are spending 48% of their time (up from 42%) working on these projects, helping achieve better project outcomes⁷.

Despite these successes, in evidence to the House of Lords Built Environment Committee, IPA Chief Executive Nick Smallwood said, "we are overprogrammed and trying to do too much"⁸, indicating the IPA's successes are threatened by asking too much of too few.

Managing projects more effectively requires more funding and support for the IPA, yet the Cabinet Office's resource departmental expenditure limit was reduced from £0.9bn in 2023-24 to £0.2bn in 2024-25 in the 2024 Spring Budget⁹. Given the increase of both the number and whole-life cost of projects within the GMPP, the IPA already supports more projects than it realistically has resources for. Effective delivery will be further undermined by a reduced budget.

One of the IPA's solutions is to concentrate resources on projects that most align with the Government's priorities¹⁰, but at risk of leaving other projects behind. Furthermore, it infers that long-term projects can receive varying levels of government resources corresponding to governmental changes throughout the project lifecycle. This inconsistent focus on projects could have knock-on effects on how projects are managed and jeopardise outcomes. Given the IPA's success in recent years, we must consider whether the apparent 'failures' used to justify the need for change can be explained by successive reductions in budgets.

⁶ Public Accounts Committee, 2024. [Delivering value from government investment in major projects.](#)

⁷ Cabinet Office, 2023. [Letter from Baroness Neville-Rolfe to William Wragg MP.](#)

⁸ House of Lords Built Environment Committee, 2023. [Letter from Lord Moylan to Baroness Neville-Rolfe.](#)

⁹ HM Treasury, 2024. [Spring Budget 2024.](#)

¹⁰ Institute for Government, 2024. [Whitehall Monitor 2024.](#)

3) Skills shortages

One of those success stories is the IPA's significant efforts to uplift project expertise throughout the civil service which one panellist said has led "to a firmly established project profession with career pathways", including investment in the Major Project Leadership Academy (which 37% of SROs had completed as of 2023¹¹); plans for 2,000 people to gain accreditation through the Government Project Delivery Profession scheme by 2025¹²; and a reinforced effort to recruit civil servants with project management expertise.

Despite this progress, experts perceive an imbalance of professional focus within the Government. A review into the civil service highlighted that the Government has traditionally relied on policy generalists over those with specialist or technical expertise¹³. There are too many civil servants focused on policy/project development and not enough focused on policy/project implementation and delivery. The concern here is that non-project experts will develop projects with unrealistic scopes which are difficult to deliver. We have seen this in action with the Chancellor's recent decision to cancel some projects where the business case was not yet in place.

Using project professionals from the start will help ascertain whether a project is viable and enables critical thinking to take place in the early, policy development, stages, enabling civil servants to take considerable time to develop project scopes and designs to eventually deliver projects on time and efficiently, which Bent Flyvbjerg described as the "think slow, act fast" concept¹⁴. This approach decreases the likelihood of cost and time overruns, as the delivery process is not prolonged unnecessarily, leading to project success¹⁵.

There is also a shortage of Chartered project professionals within the civil service, and it is not uncommon to see major projects run by people who are not Chartered project professionals, or at the very least are not members of APM or APM equivalents like the Project Management Institute (PMI). Project skills have been identified as a major skills gap by several select committees, including in the Select Committee on Risk Assessment and Risk Planning's report on preparing for extreme risks¹⁶. With an increasingly volatile environment, influenced by climate change, international conflict, and the aftereffects of the pandemic and Brexit, the Government must act to ensure that projects are sufficiently resourced to address potential threats.

The Government is not alone in needing more people with project skills, demand for expertise in the profession is increasing across the UK economy: project-related skills (communication, organisation, planning) are expected to be among the most in-demand by employers by 2035¹⁷; but 61% of APM members were concerned that skills shortages would hinder project delivery¹⁸. Skills shortages in project management are a nationwide issue, so NISTA must consider how it will attract talent in a difficult market.

4) Mistrust

Mistrust in politics is a widespread issue, not just limited to project delivery. But it has consequences. Ever-changing project priorities and policies in Government decrease confidence in stable and consistent project delivery and may damage investor confidence. This can be observed in major projects scheduled to take more than one parliamentary term – project priorities can change with each Parliament. Projects can be deprioritised on 'political whims', which decreases stakeholder confidence and reinforces concerns about motivations of political gain rather than practical implementation.

Similarly, the public's understanding of projects, and what a project is, is limited and often when the scope of a project changes, the public mindset does not. The public will expect a project to be delivered to the original cost and timescale, despite changes to the scope after the initial costing.

¹¹ Cabinet Office, 2023. [Letter from Baroness Neville-Rolfe to William Wragg MP.](#)

¹² Infrastructure and Projects Authority, 2023. [Annual Report on Major Projects 2022-23.](#)

¹³ Lord Maude of Horsham, 2023. [Independent Review of Governance and Accountability in the Civil Service.](#)

¹⁴ Flyvbjerg, B. & Garner, D., 2023. How big things get done.

¹⁵ *ibid.*

¹⁶ House of Lords Select Committee on Risk Assessment and Risk Planning, 2021. [Preparing for Extreme Risks.](#)

¹⁷ National Foundation of Education Research, 2023. [The Skills Imperative 2035: An Analysis of the demand for skills in the labour market in 2035.](#)

¹⁸ Association for Project Management, 2023. [APM Salary and Market Trends Survey.](#)

Scope creep needs to be dealt with and more work must be done on realigning public and the media expectations of project costs.

Overall, concerns surrounding transparency indicate deeper problems within the Government and risk of fostering a culture of unfairness in projects, which impacts on the individual, the project and the organisation¹⁹. This view was reinforced by Lord Maude of Horsham's review which argued that within the civil service, there are "characteristics of a self-perpetuating oligarchy with a built-in resistance to change"²⁰. The "lack of transparency within government limits its effectiveness in decision making, in particular when it comes to ensuring value for money of government spending and reducing duplication"²¹.

The Government will need to consider how NISTA communicates about projects, particularly how it rebuilds public trust in major Government project delivery and how it educates the public on what project management is. But at the same time, there will need to be major changes to the ways in which government departments communicate. If trust is improved it will facilitate a more open culture of effective communication between departments, improving assessments of affordability of projects and enabling more accurate appraisals of projects to achieve value for money, in the long-term this could promote public confidence in politics and projects.

5) Bureaucracy

Many interviewees highlighted that bureaucracy leads to project delays. Their concerns are backed up by research that indicates that excess administrative procedures, intended to improve the way government works achieve the opposite and lead to operational inefficiencies²².

Centralisation and formalisation of Government power have played a part here, through increased levels of planning and control, requiring more rules and processes developed from the centre, generating a "vicious circle of bureaucracy", that "creates a huge formalized and centralized organizational structure which demotivate all the subordinates [project leaders and department heads] because of the diminished flexibility and responsibility"²³.

The limits of centralisation are reinforced by concerns about HM Treasury's power – its ability to change prioritisation and decision-making, as its processes influence policy decisions by making trade-offs between competing bids, creates a "de facto" strategy²⁴. One interviewee said, "the Treasury must think differently about how it conducts cost-benefit analyses, as it effectively penalises the long term and anything broader". The CEO of the IPA, CEO Nick Smallwood said that there "is a need to cull more projects in the early phases"²⁵ and some major projects are approved which do not have "a fully detailed benefits statement"²⁶, reinforcing concerns surrounding administrative procedures.

Recommendations on how to revamp the central Government bureaucratic processes are beyond the scope of this report. Still, it is essential to understand that NISTA will undoubtedly be influenced by the current state of play. NISTA's role will be to defend against Treasury concerns over short-term costs by demonstrating long-term benefit realisation. The Office for Value for Money should help here. Still, again, this will only work if it assesses value for money on a long enough timescale (the Crossrail/Elizabeth line project is a great example here – short term delivered over cost, long-term delivering better than expected benefits).

6) Risk

Panellists favoured the NISTA proposal's prioritisation of those 'stuck' or at-risk projects: there are some high-risk areas (for example, service transformation and defence) which require significant critical investment to grow and protect the UK economy.

¹⁹ Association for Project Management research fund, Unterhitzberger, C. & Lawrence, K., 2022. [Fairness and Unfairness in Projects](#).

²⁰ Lord Maude of Horsham, 2023. [Independent Review of Governance and Accountability in the Civil Service](#).

²¹ *ibid*.

²² Institute for Government, 2024. [Power with purpose: Final report of the Commission on the Centre of Government](#).

²³ Platje, A. and Seidel, H. 1993. [Breakthrough in multiproject management: how to escape the vicious circle of planning and control](#)

²⁴ Institute for Government, 2024. [Power with purpose](#).

²⁵ House of Lords Built Environment Committee, 2023. [Letter from Lord Moylan to Baroness Neville-Rolfe](#).

²⁶ House of Lords Built Environment Committee, 2023. [Built Environment Committee: Corrected oral evidence: Infrastructure policy-making and implementation in central government](#).

Interviewees highlighted that UK Government contracts tend to see anything 'new' as inherently risky, including procuring new suppliers, techniques and processes. This approach also raises barriers to market entry and reduces the range of bids on government projects, resulting in decreased competition and higher project costs.

In a recent roundtable with the then Shadow Roads Minister, Bill Esterson MP, APM corporate partners outlined how they're using hydrogen power and other net zero advances to reduce their project costs and emissions. This acceptance of new technology within one department needs to be replicated across the civil service – new approaches shouldn't be seen as risky; old approaches shouldn't be seen as safe – innovation can be encouraged, and Government can act as a driver for technological innovation in projects.

About APM

We're the only chartered membership organisation for the project profession in the world. We have over 45,000 members, over 4000 of whom are Chartered, and more than 470 corporate partners.

We're a registered charity delivering education and developing qualifications, conducting research and providing resources.