

# National Infrastructure and Service Transformation Authority

## Memorandum of Understanding

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## Memorandum of Understanding (MoU)

This MoU establishes a common understanding and framework for co-operation between HM Treasury and Cabinet office, providing an outline for how the two departments will work together on matters relating to the National Infrastructure and Service Transformation Authority (NISTA). This MoU and mandate will be reviewed by the permanent CEO of NISTA within 12 months of NISTA's launch.

## About NISTA

The National Infrastructure and Service Transformation Authority (NISTA) was launched by the Chief Secretary to the Treasury (CST) and the Chancellor of the Duchy of Lancaster (CDL) on 1 April 2025.

NISTA combines the functions of the National Infrastructure Commission (NIC) and the Infrastructure and Projects Authority (IPA), bringing together infrastructure, service transformation, defence and other major projects strategy and delivery oversight into one organisation. NISTA builds upon these functions and has been provided with new powers and authority to drive improvements at the policy, project, programme, portfolio, and system level.

NISTA is a joint unit of HM Treasury and Cabinet Office (CO), reporting to both the Chief Secretary to the Treasury (CST) and Duchy of Lancaster (CDL), with CST the lead minister responsible to Parliament. The Principal Accounting Officer for NISTA is the Permanent Secretary of HMT.

NISTA unites long-term policy and strategy with best-practice project delivery and will transform the delivery of UK infrastructure, service transformation and other major projects, to ensure the government's investments are driving growth and delivering the government's missions.

## Governance

### Mandate

The mandates of both the NIC<sup>1</sup> and IPA<sup>2</sup> have been rolled forward to NISTA. By virtue of these mandates NISTA is authorised to carry out the activities required to transform the policy and delivery of UK infrastructure, service transformation and other major projects. NISTA brings together long-term strategy with best-practice project delivery to provide Ministers in HM Treasury and Cabinet Office with advice to enable successful delivery.

### Ministerial responsibilities

CST is the lead minister for NISTA and will take operational ministerial decisions for NISTA. CDL will be consulted on significant ministerial decisions in relation to NISTA i.e. those with a lasting impact on NISTA. This includes changes to this MOU, and the publication of major reports e.g., NISTA's annual report, or significant organisational change.

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<sup>1</sup> [Updated NIC charter v.final.docx](#)

<sup>2</sup> <https://www.gov.uk/government/publications/infrastructure-and-projects-authority-mandate>

## Accounting Officer responsibilities

HMT's PAO has appointed the NISTA Chief Executive, a Director General of HMT, as an Additional Accounting Officer (AO) responsible for the expenditure of NISTA.

As a Joint Unit of HMT and the Cabinet Office, NISTA's budget is agreed through HMT's business planning process. NISTA follows the principles, rules, guidance and advice in Managing Public Money.

### Accounting Officer responsibilities (NISTA Chief Executive)

NISTA's AO is personally responsible for:

- Safeguarding the public funds for which they have charge.
- Ensuring propriety, regularity, value for money and feasibility in the handling of those public funds.
- How well NISTA is achieving its strategic objectives and whether it is delivering value for money.
- On any risks to NISTA's delivery of its responsibilities, or any changes which are likely to impact on the attainability of its targets, and determining the steps needed to deal with such changes.
- The day-to-day operations and management of NISTA.
- Ensuring that NISTA is run on the basis of the standards, in terms of governance, decision-making, and financial management, that are set out in Box 3.1 of 'Managing public money'.

### AO responsibilities for accounting to parliament

The NISTA AO's accountabilities to parliament include:

- Ensuring that effective procedures for handling complaints are established and made widely known within NISTA;
- Acting in accordance with the terms of the document, 'Managing public money';
- Attending and giving evidence to the Public Accounts Committee and other Parliamentary Select Committees on NISTA business.

### AO responsibilities to the Treasury

The NISTA Accounting Officer is responsible to the Treasury for:

- Ensuring that timely forecasts and monitoring information on performance and finance are provided to the Treasury;
- Ensuring that the Treasury is notified promptly if over or under spends are likely and that corrective action is taken;
- Ensuring that any significant problems, whether financial or otherwise, and whether detected by internal audit or by other means, are notified to the Treasury in a timely fashion.

### Principal Accounting Officer responsibilities (HMT Permanent Secretary)

The HMT Permanent Secretary is the Principal Accounting Officer (PAO) of NISTA. The responsibilities of the PAO are set out in Managing Public Money<sup>3</sup>, which is published by HM Treasury. This includes responsibility for the propriety and regularity of the public finances for which the PAO is answerable, alongside keeping proper records and for safeguarding the assets of the department or non-departmental or other arm's length public body for which the PAO is responsible.

The PAO of NISTA is accountable to Parliament for the allocation of any supply funding to NISTA. The PAO is also responsible for advising the Chief Secretary:

- On an appropriate framework of objectives and targets for NISTA in line with the Treasury's wider strategic aims and priorities;
- On an appropriate budget for NISTA considering the Treasury's overall public expenditure priorities,

The PAO is also responsible for ensuring arrangements are in place to:

- Monitor NISTA's activities;
- Address serious problems in NISTA, making such interventions as are judged necessary;
- Periodically carry out an assessment of the risks both to the Treasury and NISTA's objectives and activities;
- Bring concerns about the activities of NISTA to the Chief Secretary.

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<sup>3</sup> [https://assets.publishing.service.gov.uk/media/65c4a3773f634b001242c6b7/Managing\\_Public\\_Money\\_-\\_May\\_2023\\_2.pdf](https://assets.publishing.service.gov.uk/media/65c4a3773f634b001242c6b7/Managing_Public_Money_-_May_2023_2.pdf)

## **NISTA's functions**

This section outlines the functions that NISTA undertakes to deliver on its core objectives -

### **Overseeing the implementation of the government's 10-year infrastructure strategy**

- Working closely with industry, regulators and government departments, NISTA will contribute to the development of the 10-year infrastructure strategy, and oversee the implementation of the strategy.
- Supporting the refresh of the 10-year infrastructure strategy in line with future spending reviews.
- Undertaking studies to address outstanding areas in the infrastructure strategy and other topics requested by Ministers.
- Identifying and addressing policy barriers to faster and better project delivery.
- Providing certainty to the market through publishing a project pipeline.

### **Unblocking barriers and speeding up delivery of government's major projects**

- Supporting departments in overcoming challenges and barriers to achieve delivery outcomes, and advising departments on their highest priority projects, and their financing.
- Advising on project set-up, project plans and project delivery through the provision of expert commercial and financial advice for SROs and project teams.

### **Providing effective assurance for the government's priority projects**

- Leading the government's assurance function for major projects and programmes, including economic, social and digital projects.
- Overseeing the government's most complex and strategically important projects and programmes through its stewardship of the Government Major Projects Portfolio (GMPP).

### **Setting standards and improving the government's project delivery capabilities**

- Leading and developing the government's project delivery profession and function, supporting departments in growing their project delivery capabilities.
- Setting standards for the delivery of major projects, develop best practice guidance and tools and build integration of sector expertise across the public and private sectors.

### **Leading expertise on private finance**

- Providing expert advice, guidance, and leadership of the government's approach to the private financing of major projects.

## The NISTA Council of Expert Advisers

To ensure that NISTA benefits from an impartial expert function to provide scrutiny and advice to NISTA's work, NISTA has an external NISTA Council of Expert Advisers.

The NISTA Council brings experienced practitioners close to government and provides impartial and expert advice across NISTA's remit. The NISTA Council's role is to advise the NISTA CEO and Ministers, supporting the delivery of NISTA's strategy and objectives through the provision of expert advice, while also providing challenge and scrutiny of NISTA's work.

The NISTA CEO is accountable for NISTA's work and benefits from the advice of the NISTA Council but does not report to the Council.

The CST and CDL have also agreed a terms of reference for the NISTA Council which has been included in Annex A of this document.

### Appointments

The Chief Secretary to the Treasury is responsible for appointing members of the Council of Expert Advisors and (in conjunction with the Chair) for ensuring that members have appropriate skills and expertise to ensure the Council retains the ability to support NISTA across the entirety of its objectives.



## Annex A: Terms of Reference for the NISTA Council

The NISTA Council will be appointed for terms of up to 5 years by the Chief Secretary to the Treasury (CST) and can serve for a maximum of 10 years. To facilitate effective succession planning and the development of a diverse body, this period can be extended for a limited time. The CST will consult the Chair when appointing members and will have regard to the need to ensure the NISTA Council has the right mix of skills and expertise to discharge its functions effectively. The CST may also appoint a Deputy Chair from existing Council Members and will consult the Chair before doing so. The members of the Council will have collective responsibility for advice alongside having 'lead' experts in different areas of expertise.

NISTA Council will meet regularly with the NISTA CEO and the executive team. The CST is the lead Minister for the NISTA Council, and will meet the NISTA Council at least twice a year.

The objectives of the NISTA Council are to support NISTA to meet its objectives in line with the NISTA MOU, and the priorities set by Ministers.

The NISTA Council does not hold direct accountability for decisions or spending. The NISTA Council is advisory and does not decide NISTA's work programme or priorities. The NISTA Council provides advice to the NISTA CEO, which will form the basis of advice to Ministers. HMT officials will have access to these recommendations to advise Ministers in the normal way. Where the Council disagrees with the approach of the NISTA CEO, their views can be set out in advice to CST, with the NISTA CEO explaining why they disagree. In addition, the NISTA Council will have a direct channel to Ministers through regular meetings and for example through a periodic note on live issues.

The responsibilities of the NISTA Council include:

- support the Chief Executive of NISTA to deliver NISTA's objectives in line with these Terms of Reference, the NISTA MoU and Ministerial steers, and including through engaging with the private sector, supply chain, investors, other government departments (including the Office for Investment), regulators and other external stakeholders and the public to further NISTA's objectives.
- provide impartial and expert advice on economic and social infrastructure, project delivery and finance, service transformation and other NISTA priorities through regular meetings with NISTA CEO, the NISTA executive and Ministers and through advice on key NISTA products and priorities across its full range of objectives, which could include (for example):
  - implementation progress on 10-year infrastructure strategy and pipeline;
  - studies to develop the evidence base for the refresh and update of the government's 10-year infrastructure strategy;
  - other studies and advice as requested by ministers; and
  - advice on relevant infrastructure topics and projects (including assurance) as requested by Ministers, potentially joining meetings to discuss where requested.

- support the development of policy under NISTA's scope including on cross-cutting social and economic infrastructure and service transformation issues, ensuring that the advice is in line with the NISTA MoU and the government's spending priorities;
- ensure that the evidence and analysis is robust and NISTA's studies include a transparent assessment of impact on costs to businesses, consumers and other end users of infrastructure that would arise from implementing any proposals;
- scrutinize the government's progress in delivering the 10-year infrastructure strategy and NISTA's progress including through advice on an annual report to Ministers;

In addition to their responsibilities as a NISTA Council member, the responsibilities of the Chair are:

- supporting the CEO through strategic leadership for the NISTA Council, coordinating the output of the Council, harnessing their skills, experience and expertise on specific aspects of NISTA's work and ensuring that the Council is working effectively;
- providing impartial and expert advice on specific NISTA studies and reports on issues as requested by the CEO or Ministers;
- engaging with stakeholders, including central and local government, industry, business and the supply chain, academia, investors, regulators, interest groups and the public to support the delivery of NISTA's objectives and government policy, representing NISTA and the government;
- representing NISTA in public, including in the media and at public events in line with NISTA's objectives and as agreed with the NISTA CEO and the HMT Press Office;
- making recommendations to the CEO on the balance of skills on the Council, and advising the CST on the Council's needs when vacancies arise;
- advising CST on CEO appointments as requested by the CST;
- chairing meetings of the Council; and representing the Council at meetings with Ministers.

The specific responsibilities of the NISTA Council members are:

- providing expert, impartial advice to the government on infrastructure, service transformation and project delivery;
- working with the Chair and other Council members to advise and support NISTA's CEO and Ministers in delivering NISTA's objectives;
- engaging with the central and local government, industry, business and the supply chain, academia, investors, regulators, interest groups and other stakeholders to promote NISTA and gather a wide range of views on infrastructure needs and solutions, representing NISTA in line with NISTA's objectives and with the purpose of the delivery of the infrastructure strategy and other NISTA objectives;

- supporting the Chair in representing NISTA and NISTA policy with external stakeholders and in public fora, including in the media and at public events, particularly on issues where Council members have individual expertise and where this has been expressly agreed with HMT and with the Chair;
- if members are contacted by the media directly, they should route these enquiries through HMT and the Chair. Members should also take care when commenting publicly on anything which could be related to government policy or NISTA policy, including when making presentations or writing articles, to ensure that comments are not inappropriately attributed collectively to NISTA Council and that no conflict of interest arises. In such circumstances members should discuss the matter with the Chair and HMT beforehand.
- to comply at all times with the code of practice and the 'Code of conduct and practice for Board, Committee and Sub-Committee Members' adhering to the Nolan Principles<sup>4</sup>, including the rules relating to the use of public funds and conflicts of interest. This includes not misusing information gained in the course of public service for personal gain or for political purpose, nor seek to use the opportunity of public service to promote private interests or those of connected persons, firms, businesses or other organisations.

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<sup>4</sup> <https://www.gov.uk/government/publications/the-7-principles-of-public-life/the-7-principles-of-public-life--2>