

Resource type: Project 13

P13 Role of government bodies in supporting enterprises

Guidance note on the role of governmental and related bodies in supporting Capable Owners and enterprises delivering infrastructure of long-term value

This guidance note is aimed at the government and other public sector bodies and organisations, which form the ‘context’ or ‘environment’ within which asset Owners, as well as the enterprise as a whole, operate. It sets out the key areas where Project 13 considers government can enable and support Owners to embrace Project 13 principles. The summary table below introduces the seven core areas addressed in this guidance note.

	Key Area
1	Information
2	Empowerment & governance
3	Funding models
4	Assurance
5	Sponsor
6	Policy Objectives
7	Investment Decisions

Below is more detail on each of the eight areas and prompts to help shape a more effective public sector investment ecosystem.

1) **Information – what is the role of information in enabling Owners embrace P13 principles?**

- Investment decisions are informed by high-quality performance data from similar, comparable domestic and global projects
- Ministers, investment boards and sponsors are provided with the right information at the right time
- Information covers whole life cycle value based on long-run costs and ultimate outcomes
- There is consistency of data across departments and bodies
- Skills and knowledge are exchanged between government, industry and academia
- Digital solutions enable seamless flow of data that is shared and publicised as needed

2) **Empowerment & governance – how can greater empowerment help Owners embrace P13 principles**

- Consistent leadership across governmental departments
- Decision-processes are streamlined and aligned to support national growth
- Governance frameworks highlight critical and high-level decisions
- Decision-making bodies are sufficiently resourced
- Ministers, investment boards and sponsors are empowered to judge strategic decisions and balance short and long-term trade-offs within investment programmes

3) **Funding models – how can a different approach to funding models help Owners embrace P13 principles?**

- Clear guidelines around the equitable sharing of risks and rewards
- Collection of quality data comparing whole life cost between different funding models

- Incentives reward the development of innovative solutions and the creation of long-term value as opposed to lowest capital cost
- Appraisal of funding models for proposed solutions is on the basis of objective criteria
- HMT publishes performance assessments for private and public projects regularly
- Accounting and fiscal rules, as well as budget allocation favours neither private, nor public finance
- Cross-departmental benefits are communicated and accounted for

4) Assurance – how do models of assurance govern for benefits realisation and help Owners embrace P13 principles?

- The governance framework defines who is accountable for the delivery of benefits and value
- Measurement of benefits and value is clear and consistently applied
- System, network, asset and project objectives are all assessed at each stage

5) Sponsor – how does the role of the sponsor feature and help Owners embrace P13 principles?

- Sponsor role and interfaces are clearly defined in the governance framework
- Sponsors are integrated across central government and with regional/local government
- Sponsors are empowered to challenge and be accountable for the successful delivery of projects and their broader outcomes
- Project sponsors set out strategic and economic cases that consider the widest range of economic and social benefits in line with government investment scorecards and the National Strategy for Infrastructure Investment

6) Policy objectives – how do policy objectives drive attainment of long term value and help Owners embrace P13 principles?

- Clear articulation of projects in alignment with government policy objectives from the outset
- Alignment between policy objectives and project business cases
- Government's portfolio of projects aligns with stated policy
- Cross-sector and cross-departmental groups drive joint decision-making

7) Investment decisions – how can the way in which investment decisions are made help Owners embrace P13 principles?

- Investment decisions are based on the value of direct whole life cycle costs and benefits
- Investment decisions are appraised against total expenditure, enabling trade-offs between capital investment and operational costs including long-term performance at the network level
- Investment decisions also consider broad outcomes such as the wider social and economic benefits from the very initial stages of policy design at the system level
- Benchmarks and performance data include precise metrics on broad outcomes, e.g. wider non-monetary benefits that are consistently used in the appraisal of options