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Remit Letter for the National Infrastructure Commission for Wales (NICW)

Further to my recent letter in response to your suggested work programme, I write to set out the National Infrastructure Commission for Wales formal remit for this term of Government.

The Programme for Government, updated by the Co-operation Agreement, sets out the Welsh Government's agenda for the Senedd period 2021-2026 which is supported by its Well-being objectives. Our government programme sets out the ambitious and radical commitments we will deliver over the next 4 years in order to tackle the challenges that we face and improve the lives of people across Wales. It is founded on the distinctively Welsh values of community, equality and social justice. It puts collaboration ahead of competition, showing how we will act to maximise fairness for all and eliminate inequality at every level of society.

I would expect the work of NICW to assist in guiding the Welsh Government towards achieving its longer term objectives set out in these documents. In particular, of our 10 well-being objectives for this term, I consider the following to be the most pertinent to the work of NICW:

- Build an economy based on the principles of fair work, sustainability and the industries and services of the future.
- Build a stronger, greener economy as we make maximum progress towards decarbonisation.
- Embed our response to the climate and nature emergency in everything we do.
- Make our cities, towns and villages even better places in which to live and work.
- Celebrate diversity and move to eliminate inequality in all of its forms.

In addition to our corporate aims and objectives, the NICW should be mindful of existing Welsh Government policies and programmes that impact on longer-term infrastructure commitments. Specifically, the [Welsh Infrastructure Investment Strategy](#) (2021) and [Future Wales](#), the National Development Framework. Our [Future Trends](#) work will also provide valuable data for NICW projects. Given the longer horizons of these documents, I would encourage you to meet with the Welsh Government officials with responsibility for these areas to see if common areas of evidence base can be used to help inform NICW's work.

The NICW will inform our approach to future policy decisions and should advise us on our longer-term objectives for infrastructure. It will work in an open, transparent and collaborative way to identify Wales' future infrastructure needs for the next 5-80 years. We will plan our investment in line with the Well-being of Future Generations (Wales) Act 2015 to deliver infrastructure projects which help us maximise the benefits for current and future generations, the NICW should be mindful of this approach in its work and reflect the well-being goals and the sustainable development principle (ways of working) in within its projects.

Having a fully functioning Commission will be vital in ensuring that the NICW can undertake its role in a proper fashion. A Public Appointments recruitment process is currently underway to appointment new Commissioners for the next three year period to support you in your work. I have already informed you in previous correspondence of the budget available for the NICW for 2022/23 financial year.

Work Programme

It is imperative the NICW acknowledges the part that it can play in our drive toward a net zero carbon Wales. As our recent Plan, [Net Zero Wales Carbon Budget 2](#) (2021 to 2025) and the [Committee on Climate Change risk assessment](#) make clear, the [Climate Emergency](#) and the risks arising from it are very real and pressing. Action is needed now to remove carbon from our systems and to respond to the challenge of adapting to a change in climate as we see the inevitable consequences of a change in global temperatures.

The NICW must carry out its work in accordance with this remit and be mindful of the statutory duties incumbent on policy makers in Wales. In all other respects, the NICW will have discretion to determine independently its work programme, methodologies and recommendations, as well as the content of its reports and public statements. Notwithstanding this, there are two specific areas of work where the Welsh Government would like the NICW to focus over this Senedd term.

Renewable Energy

You will be aware that in December 2021, the Welsh Government published the results of its [Deep Dive on Renewable Energy](#). This sets out a clear plan of action for the Welsh Government in reducing barriers to the deployment of renewable energy in Wales in order to meet our vision for Wales to generate renewable energy to at least fully meet our energy needs and to tackle the nature and climate emergencies.

To complement this work, the NICW should investigate the connections between renewable energy infrastructure and other infrastructure to aim to match our energy generation to energy usage. This may involve looking to the future in terms of what our energy needs and generation will look like, and where energy will be required. By investigating solutions, on a national scale, it could identify which will have the most beneficial impacts. We would welcome recommendations on how Welsh Government can influence these patterns using the levers it has available.

You have indicated in previous correspondence that this will take place in 2022/23. My officials can assist you to scope out this work to ensure the best outcomes for the NICW and the Welsh Government.

Flooding and Climate Change Resilience

You will be aware that the [Co-Operation Agreement](#) makes two commitments in relation to flooding in Wales:

13. Flood review

We will commission an independent review of the Section 19 reports produced into extreme weather flooding in Wales in the winter of 2020 and 2021, together with the reports produced by NRW. We will act on the recommendations made.

16. Flood capital investment and national resilience

We will deliver an increase in investment for flood and coastal erosion risk management and mitigation over the course of this Senedd term. Beyond this, and looking at how we can plan strategically to respond to the reality of the increasing risk of flooding, we will also ask the National Infrastructure Commission for Wales to conduct an assessment of how the nationwide likelihood of flooding of homes, businesses and infrastructure can be minimised by 2050.

There is much work already being undertaken in this area, we therefore need this work to complement the Delivery of Wales' [Flood and Coastal Erosion Risk Strategy](#) measures and more specifically the key Objective looking solely at Preparedness and Building Resilience.

You have indicated in previous correspondence that work in this area will take place in 2023/24 and 2024/25. This gives us sufficient time to work together with our Co-operation Agreement partners and Welsh Government officials, to frame the NICW investigation to ensure that its work and recommendations achieve the best outcomes for all parties.

The NICW should seek to be transparent and consultative in its work, engaging widely and building consensus for its recommendations.

The quality of the evidence base underpinning the NICW's recommendations will be a key consideration for the government, and the NICW should ensure that its recommendations are clearly prioritised. In developing its recommendations, the NICW should have regard to the trade-offs between maintaining and maximising the potential of existing infrastructure assets, and the opportunities arising from new infrastructure. In both cases, the NICW's judgements on the value for money case for each approach will be crucial. The NICW should also consider the impact future technological and other change could have on infrastructure needs and solutions.

The NICW should focus on identifying critical issues that need to be addressed by infrastructure in Wales over the long term. It should not normally seek to identify in detail specific solutions – the identification of solutions requires detailed analysis undertaken through options appraisal and the development of business cases. For the same reason, the NICW should not seek to base its recommendations on precise cost estimates. However, the NICW will need to take account of the likely scale of costs associated with its recommendations and to ensure that there is a realistic prospect of its recommendations being accommodated.

The NICW must fully abide by this remit unless and until it is replaced in a subsequent remit letter. I also attach to this letter a revised version of the NICW's Terms of Reference, which

have been amended following suggestions from yourself in previous correspondence.

I look forward to working with you throughout the rest of this Senedd term and I await with interest to hear from the NICW with its recommendations on a variety of subject areas.

A handwritten signature in black ink, appearing to read 'Lee', is centered within a light gray rectangular box.

Lee Waters AS/MS

Y Dirprwy Weinidog Newid Hinsawdd

Deputy Minister for Climate Change