



**Cyfoeth
Naturiol
Cymru
Natural
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Wales**

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National Infrastructure Commission: Consultation (January 2016)

Dear Sir/ Madam,

We welcome the opportunity to respond to the above consultation. Natural Resources Wales (NRW) undertakes a variety of roles including an adviser to the Welsh Government, industry, the voluntary sector and the wider public on issues relating to the environment and natural resources. We are also a regulator, and manage a significant amount of Wales's land area as well as a number of sea defences.

We consider that the strategic management of Wales's natural resources should be a key component in the decision-making process for developing new, and maintaining existing infrastructure in Wales. In responding to your specific questions, Annex 1 provides further detail on benefit of this approach, and includes suggestions on future working between the NIC and NRW.

We trust that our advice will be useful to you, and would welcome further opportunities to discuss.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Rhian Jardine', with a horizontal line underneath.

Rhian Jardine

Annex 1

1. **Do you agree that the National Infrastructure Commission should be established as a non-departmental public body via primary legislation?**

No comment.

2. **Do you agree that the commission's National Infrastructure Assessments should be laid before Parliament and that the government must respond within a specific timeframe? What would an appropriate timeframe be?**

No comment.

3. **Do you agree that it should not be mandatory for the government to lay the recommendations from specific studies before Parliament, but that the government should have discretion to do so where necessary?**

No comment.

4. **Do you agree that economic regulators should 'have regard' to Endorsed Recommendations?**

No comment.

5. **Do you agree that government should legislate to oblige the commission to produce National Infrastructure Assessments once in every Parliament?**

No comment.

6. **Do you agree that that the precise timing of reports and interim publications should be a matter for the commission in consultation with relevant departments?**

No comment.

7. **Do you agree that a GDP envelope would provide the most effective fiscal remit for the commission?**

As an advisor, we work with determining bodies and developers to direct the right development to the right locations by providing advice on the potential environmental effects to and from a proposed scheme. Appropriate consideration to environmental effects helps to ensure that development is viable for the long-term e.g. directing inappropriate development from areas that are at high risk of flooding.

We therefore consider that the cost calculations for recommended schemes should reflect their whole-life costs so that decision-makers are aware of the long-term viability of schemes, including likely costs associated with climate change effects.

8. Do you agree that a transparency requirement should be placed on the commission with regard to its economic remit?

No comment.

9. Do you think that any additional constraints are necessary to deliver the commission's anticipated benefits to consumers?

No comment.

10. Do you agree that the remit should be set by a letter from the Chancellor, on behalf of the government?

No comment.

11. Do you agree that the commission's working assumption should be to only review those areas of infrastructure that are the responsibility of the UK government?

In its Wales Infrastructure Investment Plan (WIIP), the Welsh Government sets out the pipeline of key Welsh Government infrastructure investment schemes.

The forthcoming National Development Framework (NDF) will identify the Welsh Government's economic, social and environmental objectives. The NDF will also set out the Welsh Government's land use priorities by identifying key locations to accommodate change and infrastructure investment over a 20 year period.

The NDF will be informed by a strategic environmental assessment, and a National Natural Resource Policy (NNRP) which will also be prepared by the Welsh Government which will identify the national priorities for Wales's natural resources.

Should the NIC produce reports, and make infrastructure recommendations for Wales where matters are devolved, there is a risk that this would introduce confusion among developers and the general public as to how NIC recommendations for infrastructure will sit alongside Welsh Government priorities as set out in the NDF and WIIP.

We therefore support the approach proposed in paragraphs 6.1 to 6.3 of the consultation document which clarifies that it is for the Welsh Government to decide how the NIC should consider infrastructure requirements in Wales, and to decide whether or not to accept the NIC's recommendations. This approach will also enable Welsh Government to make infrastructure decisions in line with requirements set out in the Wellbeing & Future Generations (Wales) Act 2015 for all public bodies in Wales.

Where the NIC makes infrastructure recommendations for non-devolved matters affecting Wales, it will be useful for the NIC to clarify how environmental considerations have informed those decisions, and how Welsh Government legislation, policies and strategies such as the

Well Being of Future Generations (Wales) Act, national planning policies and the NNRP will be taken into account.

Wales's nature, land, water and air are our ultimate resource, a strategic national asset that should be recognised as a key component of the nation's strategic infrastructure – as being important both for its significant contribution towards economic and social well-being and for its own intrinsic value.

Sustaining a Living Wales-A Green Paper on a new approach to natural resource management in Wales refers to a 2001 study which estimated that the environment contributed £8.8 billion to the Welsh economy, representing 9% of Welsh GDP and supporting 1 in 6 jobs. The study also reported that the environment is relatively more important to the Welsh economy than is the case for the other UK nations.

Strategic investment in our green infrastructure can improve the resilience of existing communities and development, for example by mitigating the effects of flood risk and climate change.

We therefore consider that a strategic outlook on infrastructure in Wales should encompass the consideration of green infrastructure alongside the conventional understanding of 'grey' infrastructure. We will be happy to provide further advice to the NIC on how the strategic management of natural resources should inform its thinking and recommendations for infrastructure in Wales.

12. Do you agree that the decision of whether to accept or reject the commission's recommendations should rest with the responsible government?

Please see our response to Q11 above.

13. Should departments be obliged to accede to the commission's requests for analysis?

No comment.

14. Do you agree that the legislation used to create the commission should place obligations on the relevant regulators and public bodies to share information with the commission?

Where sought, Natural Resources Wales regularly shares the information it holds with other public bodies to support the delivery of their functions without any obligation on us to provide such information. For example we will share environmental information that we hold with planning authorities to inform their evidence base in preparing development plans. We therefore do not consider it necessary to place an obligation on relevant regulators and public bodies to share information that it holds.

15. Should legislation also place obligations on the relevant regulators and public bodies to provide analysis for the commission?

We would welcome the opportunity to work with the NIC where appropriate, and to discuss the type of analysis that NRW may be able to undertake. Regardless of whether or not legislation is introduced to require public bodies to undertake analysis on for the NIC, there should be a common understanding of the nature of analysis that any public body can be expected to undertake. This may take the form of a Memorandum of Understanding between NIC and the relevant public body. Additionally, provision should be made for those public bodies to recover the costs for undertaking such analysis.

16. Do you agree that the government should specify a timetable to review or replace a National Policy Statement when endorsing recommendations?

Under the Planning Act 2008 (the 2008 Act), the Secretary of State must undertake an appraisal of sustainability of the proposed change to a National Policy Statement. Furthermore, under the 2008 Act, the Secretary of State must have regard to any responses to a consultation on the proposed change. We would strongly encourage that any timetable to review a proposed change to a NPS should allow for an appropriate time period for the Secretary of State to undertake an appraisal of sustainability, consultation on any proposed change, and consider the findings on responses of those two processes. Failure to do so could lead to development being directed to inappropriate locations where, for example, the long-term viability of a proposed location for development may be at risk from environmental constraints that have not been taken into account due to inappropriate assessment, or inadequate consultation with relevant environmental bodies.

17. Do you agree that, while additional consultation may be necessary, consultation undertaken by the commission should not be repeated by the Secretary of State when preparing a National Policy Statement?

For the reasons set out in our response to Q16, we strongly encourage appropriate consultation with relevant bodies when changes to the National Policy Statement are proposed. The decision as to whether a separate consultation should be undertaken by the Secretary of State, in addition to any consultation undertaken by the NIC, is a matter for the Secretary of State. Our main concern is the need for appropriate consultation, which engages the relevant bodies, and considers direct, indirect, and cumulative effects on the environment. We will also seek that the strategic management of our natural resources informs decision-making.

In the absence of any legislative provision to set out when NRW should be consulted, we would welcome the opportunity to work with the NIC to develop a Memorandum of Understanding on when NRW should be consulted by NIC, and how NRW will engage in such consultations.