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Llywodraeth Cymru
Welsh Government

Our ref: MA/AP/2425/26

Dr Jenifer Baxter
Chair
National Infrastructure Commission for Wales

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4 November 2026

Dear Jenifer,

National Infrastructure Commission for Wales (NICW) Remit to December 2027

Thank you for your letter of 14 October 2026 following our meeting on 10 September. I am content to confirm the National Infrastructure Commission for Wales's remit to 31 December 2027, subject to the arrangements set out in this letter and the attached Terms of Reference.

NICW should continue to be mindful of the wider policy and evidence framework relevant to long-term infrastructure decisions, including Future Wales and its successor National Development Framework, Future Trends, Welsh Government emerging policy on AI and other relevant policies on the digital economy, energy and grid, water and the environment NICW should also be mindful of market developments as well as relevant UK policy which will impact on this sector.

NICW should use and build on existing evidence wherever possible, identify where Welsh evidence remains incomplete, and avoid duplicating work already commissioned or under way.

In taking forward this remit, NICW should have particular regard to the Government's commitments and direction of travel on:

- working with local government, public bodies, regulators, industry, universities, communities and the third sector as partners in the design and delivery of policy.
- placing Cymraeg at the heart of public policy, including planning, skills, public services and economic development; and
- strengthening community involvement, securing long-term public value and ensuring that the benefits and impacts of development are considered fairly;
- embedding climate and nature considerations, decarbonisation, environmental sustainability and resilience across government decision-making;
- ensuring that infrastructure investment supports place-based economic development, stronger delivery capability and the development of viable and investable propositions;

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn yr iaith honno ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

- reforming the planning system so that it better serves people, communities and businesses, and preparing a renewed National Development Framework that provides strategic vision and oversight across Wales;
- developing a new Digital Strategy for Wales, supporting digitisation and innovation, and treating digital technology as a key growth sector;
- unleashing the potential of the Welsh economy and creating good, well-paid jobs, including securing Welsh economic value, skills, supply-chain opportunities and responsible investment from digital and data infrastructure;

Infrastructure is fundamental to achieving those ambitions. Reliable energy, water and digital networks, effective planning, resilient places and the capacity to adopt new technology are essential to productive investment, high-quality employment, modern public services and stronger communities. I therefore expect NICW's work to assist Welsh Government in delivering the Programme for Government and its well-being objectives, while remaining focused on long-term evidence and independent advice.

The Programme for Government 2026 to 2030 sets out this Government's ambition for a modern, thriving, ambitious and confident Wales. It focuses on improving public services and living standards, unleashing the potential of the Welsh economy, creating good, well-paid jobs, raising educational standards, tackling child poverty and delivering effectively across government. It also emphasises partnership, innovation and working across portfolios rather than in institutional silos.

Programme for Government and wider policy context

NICW should continue to provide independent, evidence-based and forward-looking advice on the infrastructure needed to support the responsible development and use of data centres, AI compute and wider digital connectivity in Wales. Its advice should demonstrate how infrastructure choices can contribute to the well-being goals and long-term public value.

NICW should seek to:

- focus on Welsh evidence gaps and add value to, rather than duplicate, work already under way across Welsh Government and partner organisations;
- consider energy, water, land, planning, digital connectivity, environmental effects, resilience, skills, economic value, public services, equality, the Welsh language, communities and long-term public value as connected issues;
- apply the sustainable development principle and the five ways of working under the Well-being of Future Generations (Wales) Act 2015;
- use proportionate engagement with industry, utilities, regulators, local government, professional bodies, Wales' statutory Commissioners and communities; and
- be transparent about evidence, assumptions, uncertainty and trade-offs.

Relationship with Welsh Government policy development

NICW and officials should work co-productively, sharing evidence and testing emerging options. This collaboration does not make NICW responsible for Welsh Government policy, and it does not prevent Welsh Government from developing or publishing its own framework before NICW's wider programme is complete. NICW should provide evidence and advice as it becomes available and should publish its final advice separately.

I welcome NICW's proposal to support the development of a Welsh policy framework for data centres and AI compute and to undertake a wider assessment of digital infrastructure. The work should be collaborative and practically focused, while maintaining NICW's

independence and the clear accountability of Welsh Ministers for policy and delivery decisions.

The Commission's advice should recognise that data centres and AI compute are not solely digital or planning matters. They sit at the intersection of energy, water, land, connectivity, skills, economic development, public services, environmental limits and community interests. NICW should therefore apply a systems approach and make explicit the choices, dependencies and trade-offs involved, including the balance between attracting investment, strengthening national resilience and sovereignty, securing benefits for Wales and protecting communities and natural resources.

Stage 1: October 2026 to January 2027

NICW should support the rapid development and testing of the evidence base and policy options by:

- contributing to a cross-government evidence paper, including a map of the known data-centre pipeline and an assessment of energy, water, digital; and land
- carrying out an assessment of appropriate planning tools, constraints and opportunities to aid in the implementation of policy
- providing independent challenge on what UK demand forecasts and alternative compute architectures may mean for Wales;
- examining relevant international policy approaches, emerging technologies and the infrastructure readiness of the North and South Wales AI Growth Zones;
- establishing a professional advisory group to peer-review the evidence and test policy options;
- gathering stakeholder and community insight through proportionate discussions with industry, utilities, regulators, local authorities and communities near existing or proposed sites;
- helping to identify a shared strategic ambition and public-value principles for data-centre and AI-compute infrastructure, including locational considerations, planning tools, community benefit, governance and delivery; and
- providing proportionate strategic support to officials on emerging issues, while avoiding comment on the merits of individual sites.

NICW should agree the detailed Stage 1 outputs and timetable with officials through the joint working arrangements, with substantive outputs completed by the end of January 2027.

Stage 2: January to December 2027

Subject to an agreed detailed scope, affordability and available capacity, NICW should undertake a wider digital infrastructure assessment and help test the implementation of the emerging framework. The programme may include:

- spatial evidence to support locational policy, where the initial work identifies a need for a national spatial assessment, planning guidance or other policy tool;
- a shared vision and public-value principles for AI and data-centre infrastructure, co-designed with professionals, communities and relevant public bodies;
- community benefit and deeper engagement in host communities in North and South Wales;
- testing and implementation support, including independent review of a draft framework before consultation;

- wider digital infrastructure, including fibre, mobile, satellite, edge computing quantum and other emerging compute technologies and relevant public-sector connectivity, together with the responsible use of AI in infrastructure planning and delivery; and
- final independent advice to Welsh Ministers and a national event on AI, connectivity and data centres in late 2027.

NICW should submit a detailed Stage 2 scope, delivery plan, resource requirement and proposed outputs for agreement in early 2027. Inclusion in this remit does not constitute approval of additional expenditure.

In addition to this work NICW should also seek to monitor its previous work and recommendations under review, taking account of new evidence, changing circumstances and progress with implementation. This could include commenting on emerging Welsh Government policy and initiatives. Where appropriate, it should advise Welsh Ministers if earlier conclusions or recommendations need to be reaffirmed, updated or reconsidered.

Resources

I note that NICW will continue to work with officials on budget and Programme Office capacity. Stage 1 should be managed within agreed resources and Welsh Government controls. Funding for 2027/28 and other material Stage 2 commissions will be considered separately once the work is scoped.

Duration and review

This remit takes effect from the date of this letter and remains in force until 31 December 2027 unless amended or replaced. Officials and NICW should review progress at the end of Stage 1 and agree any necessary refinement of the 2027 programme.

I look forward to working with you and the Commissioners on this important programme and to receiving NICW’s independent advice.

Yours sincerely,



Adam Price MS
Gweinidog Cabinet dros Fenter, Cysylltedd ac Ynni
Cabinet Minister for Enterprise, Connectivity and Energy