



15th December 2016

Welsh Government
Consultation on Proposals for a
National Infrastructure
Commission for Wales

WLGA Response

Welsh Government Consultation on Proposed for a National Infrastructure Commission for Wales -

Background to the Consultation

The purpose of the consultation is to inform stakeholders of the Welsh Government's intention to establish a National Infrastructure Commission for Wales to inform and prioritise investment decisions on medium to longer term infrastructure needs, and provide stakeholders with an opportunity to contribute views on the way the commission is set up and run.

The consultation period runs from the 17th October 2016 to the 9th January 2017.

The Welsh Local Government Association (WLGA)

The WLGA represents the interests of local government and promotes local democracy in Wales. It represents the 22 local authorities in Wales and the 3 fire and rescue authorities and 3 national park authorities are associate members.

The WLGA welcomes the opportunity to participate in this consultation and provides this response having consulted across its member authorities and obtained their endorsement through the WLGA Co-ordinating Committee on the 25th November 2016. The WLGA responses to this consultation on the NICfW, enshrines the fundamental principle of the right of democratically elected Local Government Council Members to set the objectives and priorities for their areas.

WLGA member organisation may also submit individual responses to the consultation.

Background

1. On 18th October 2016, Ken Skates AM, Minister for Economy & Infrastructure announced proposals for a National Infrastructure Commission for Wales. He launched a consultation informing stakeholders of the proposals and invited views on the way the commission is set up and run.
2. In considering our response to the consultation it is important to recognise the substantial role already played by local government in relation to infrastructure development across Wales. In planning investments there is the potential not only to enhance our communities but also, and increasingly, to work collaboratively with a range of partners as part of the wider reconfiguration of Public Services.
3. The proposals for the National Infrastructure Commission for Wales [NICfW] are outlined in the consultation document as follows:

[They are] In line with Welsh Government's commitment to moving towards a better informed, longer-term strategy of investment in infrastructure which enshrines the principles of the Well-Being of Future Generations [WFG] Act and which will enable the more efficient development of specific projects as their

importance to the strategy is understood and supported by the people of Wales, including the need to achieve value for money for public sector investment.

Welsh Government intend establishing an advisory, non-statutory National Infrastructure Commission for Wales to provide independent and expert strategic advice.

Responsibility for setting policy, together with the regulatory and planning framework, and for making investment decisions where this is a government function, would remain with the Welsh Ministers for devolved infrastructure and with the UK Government for non-devolved infrastructure.

*This is potentially seen as a first stage in strengthening decision making and delivery on infrastructure, and **the door will be left open to changing the body's status and remit** if, with experience, clear benefits emerge for doing so.*

NICfW's remit would extend to all sectors of economic and environmental infrastructure, including energy, transport, water and sewerage, drainage solutions, waste, digital communications, flood and coastal erosion management and would extend to both devolved and non-devolved infrastructure reflecting the devolution settlement and the cross-border nature of infrastructure – for example the rail network.

NICfW's remit would not extend to social infrastructure such as schools, hospitals, and housing. However, NICfW's remit would extend to providing advice on the interactions between economic and environmental infrastructure and social infrastructure.

4. Local government is involved in investments in all of the above-mentioned areas. It is also involved heavily in social infrastructure investment programmes such as 21st century schools and has responsibilities for maintaining and, where possible, developing a wide range of community infrastructure. Indeed, looking ahead, local government is going to have to become increasingly efficient at working up investment packages that simultaneously realise multiple benefits - social, economic and environmental. There will also be a growing need to identify income generating possibilities that will be required if new sources of finance are to be attracted.
5. It is important that infrastructure decisions are made in light of these requirements and are not viewed in isolation. Local government is central to the delivery of locally tailored solutions to national policy challenges. The WFG Act is a pivotal piece of legislation around which such decisions must be made. Whether it is building more homes, securing the infrastructure and inward investment essential to economic growth, equipping people with the skills they need to succeed or providing sustainable and effective care to vulnerable children and older adults, all these issues impact at an individual level, and all need to be considered collectively as they interact at a regional level.

Reconfiguration of Public Services

6. Positive developments in the reconfiguration of public services are taking place with the potential to create a new and dynamic relationship between Welsh Government and Local Government in Wales.
7. The proposals recognise the central and visible role of Wales' councils in their communities, while outlining a coherent agenda for reform that will build on the strengths of existing community-based local government. The challenge now is to provide greater strategic coordination and regional resilience for key services.
8. Mark Drakeford has also made a call for big "building blocks" on which to base reform.
9. Significant progress has been made through council-led developments such as the South East Wales Capital Region City Deal, Swansea Bay City Region, North Wales Economic Ambition Board, Mersey-Dee Alliance and the Growing Mid Wales Partnership. There is a golden opportunity for the new Welsh Government and local government to move forward in partnership and transform the way we deliver public services, particularly through the integration of health and social care. Local government has a critical role to play in unlocking the productivity potential of the Welsh economy and councils have a wealth of experience in regenerating their local areas, promoting them as places for investment. Across the country there are numerous examples of what has been achieved and this is a positive platform from which the country can build a successful strategy.
10. Additionally if Wales is to secure international trade and investment, we need a strong supporting infrastructure which includes building more homes and ensuring our roads are in a good state of repair. Local Authorities must look to Welsh Government to allow this debate to be led by innovation and local ambition seeking to ensure all areas are able to move forward at their own pace, unhampered by a narrow focus on process and governmental prescription on governance.
11. With a broader role and more ambitious regional approach to public services being taken by local government the relationship with the work of a National Infrastructure Commission needs to be understood.
12. If the NICfW is to "enable the more efficient development of specific projects and ensure the importance of the strategy is understood and supported by the people of Wales" then the democratic role of local government must be maintained and reinforced. This will help to ensure that the realisation of benefits to communities is maximised and undertaken through transparent processes.

Role of Local Government in Infrastructure Development & Delivery

13. Local authorities already have a significant portfolio of infrastructure-related functions and responsibilities at local level which, are expanding and increasingly being developed and delivered via collaborative regional approaches, as suggested above at paras 4 and 9.
14. Also, Local Government in partnership with Welsh Government has for some time been progressing the Wales Infrastructure Investment Plan, Strategic Asset Mapping and Capital Profiling. This is starting to enable analyses that can support strategic “master planning”. It can help inform future infrastructure delivery options and identify potential alternative funding opportunities, on the basis of supporting a longer term approach to financial/resource planning.
15. WLGA has been in discussions with Welsh Government and others to consider how a range of information currently in disparate sources can be effectively rationalised. This information could then be used to identify, encourage and support more integrated and collaborative approaches to investment, as required by the WFG Act. There would appear to be potential to apply this to the regional development work underway in each region of Wales and this will have to be explored further.
16. The establishment of a robust Local Government approach to strategic infrastructure planning and delivery could reinforce Local Government’s role. In such a model local government could work with a NICfW and ensure that Local Government helps to steer national investment plans instead of acting as passive recipients/agents of investment plans. It might also seem the logical step in formalising links between national planning strategies, regional level plans and Local Development Plans, and the resourcing of delivery programmes.
17. A strengthened status and/or remit for Local Government in the future could take one of a number of forms. WLGA are actively investigating these potential options. Examples, of such collaborative models include establishing regional or national joint arrangements, shared services, joint venture partnerships, and outsourcing. Local Government and Welsh Government should work closely in considering their developing approaches across Wales, which can be positively informed by the work of regional partnerships. Indeed, this could form part of the National Infrastructure Commission’s role - or it could sit alongside the Commission (to accommodate the wider social investment role).
18. However, local government is aware that the development of a centralised regional or national delivery function for Wales similar for example to the Scottish Futures Trust model would need very careful consideration, particularly in light of the value and complexity of these programmes as recent experiences

of such approaches have not always been positive in Wales - for example the National Procurement Service.

19. There are estimated to be £1 billion of surplus assets in the Welsh public sector (the UK figure is £17 billion). Public authorities in Wales recognise that given recent funding settlements and the likelihood of ongoing austerity, many will lack the capital to develop them, or the revenue to maintain them. Furthermore, after many years of cutting back the corporate centre, many public authorities no longer carry the capacity and experience needed to optimise their asset value.
20. At the same time, local government and other public bodies are facing increasing demand due to population and demographic changes which means that there are growing pressures to invest in new social infrastructure which are fit for purpose.
21. In Wales the major demands for new social infrastructure concern housing, schools and integrated health and social care services. There are opportunities to build these in as part of area-wide regeneration initiatives which require complex master planning.
22. It is therefore important that in considering the role and structure of a NICfW, that Welsh Government recognize the developing role of the public services across Wales and particularly that of Local Government and factor in how best these might be enabled in the future or WLGA to consider options for collaborative and integrated approaches to capital investments.

Welsh Government Consultation on National Infrastructure Commission for Wales:

23. The WLGA responses to the questions in the consultation on the NICfW are set out below; enshrining the relevant principle of the right of democratically elected Local Government Council Members to set the objectives and priorities for their areas:

Welsh Government Consultation Questions on Proposals for a National Infrastructure Commission for Wales, and Commentary on a Proposed WLGA Response

Question 1: Do you agree that NIFCW's remit and output should consist of analysis, advice and recommendation to the Welsh Ministers?

The NICfW appears to be intended to 'support' Welsh Government's approach to strategic infrastructure. However, this may need to be viewed in the context of public services in Wales which might allow an even more inclusive approach.

- Therefore, the NICfW's focus and role needs to be clearly understood in terms of whether it is informing strategic infrastructure at a technical level or democratic level or both.
- There is a need for an 'overview' of the national development of infrastructure and its potential interdependencies across Wales and to other countries.
- Infrastructure by its nature needs to be 'future proofed' and as far as possible integrate opportunities to utilise the best technologies available and appropriate to the purpose
- It is important to maximise investment opportunities and deliver greatest value from that investment to our communities.

Whilst Ministers would clearly wish to (and should have) the NICfW responding to them, it might be considered that local government where they are a strategic lead on infrastructure, should equally have access to such analysis, advice and recommendation to equally maintain transparency in informing technical and democratic decision making.

Question 2: Do you agree that NIFCW's remit should extend to non-devolved as well as devolved infrastructure?

In order to establish an 'overview' of the national development of infrastructure and any potential interdependencies across Wales and to other countries, it would seem logical that the NICfW would need to be 'sighted' on both devolved and non-devolved infrastructure.

Question 3: Do you agree that NICfW should not advise on programmes and work that have already been decided, or will be decided in the immediate future, by statutory and regulatory bodies?

The general premise for the NICfW should presumably be that it is forward looking rather than retrospective. It should presumably not be enabled to consider key decisions retrospectively, or to police decisions.

However, this might need to be clarified. For example, where a decision has already been made to move ahead with a collaborative regional programme it should not prevent expert advice from being offered on the potential to enhance the programme.

Also decisions would arguably already have been made on *the need* for every project which makes up the current WIIP, however it would be self-defeating to prevent the NICfW from considering them and providing beneficial national oversight.

There must be a clear boundary within which the NICfW can operate and where it would be inappropriate for it to intervene based upon the nature of the project, and its commitment status in the development process.

The criteria for and parameters of such interventions, and the beneficiaries of any advice provided, might need to be the subject of detailed consultation and development within the remit of the NICfW.

Question 4: Do you agree that NICfW should be able to look at cross-cutting delivery issues if it considers them a barrier to delivering infrastructure needs, including governance, costs, financing and programme/project management methodology? Please specify any other delivery issues that you consider NICfW should be able to look at and the reason.

It will be important for NICfW to consider 'cross cutting' delivery matters in any national oversight role and to provide positive, effective advice on enhancing benefits from the infrastructure programmes.

In terms of 'delivery' matters, this possibly blurs the proposed remit of the NICfW [made up of a proposed maximum membership of only 10] and its ability to get down to this level of detail across such a larger portfolio.

The detailed elements mentioned here might normally be considered as relevant to a more operational, delivery-focused body rather than a strategic advisory body. Such detail could, however, be incorporated through existing processes undertaken on portfolios or programmes which independently assess such

elements in terms of deliverability through a Gateway Review. Whilst this might be fed into deliberations of the NICfW, arguably this should be considered as a future or separate development around potential options for strengthened delivery.

The wording in this question is unfortunate as it suggests retrospective policing of the areas mentioned and intervention advice, rather than a positive and proactively transparent approach which, undertaken in close liaison with lead infrastructure bodies, could prove beneficial to Wales and our communities.

Question 5: Do you agree that NIFCW should engage closely with and consult other bodies that may have an economic and environmental infrastructure remit? Who do you think are the key bodies that NICfW should engage with and consult?

This offer to engage closely with and consult other bodies should be welcomed with specific consideration given to the role of local authorities in infrastructure delivery.

This should not however detract from earlier comments - NICfW might equally work closely with any organisation where they are a strategic lead on infrastructure, providing equal access to analysis, advice and recommendations to maintain transparency in informing technical and democratic decision making.

Question 6: Do you agree that NICfW's remit should extend to participating in other relevant strategic advisory fora, such as the Council for Economic Renewal? Please specify any other forum you consider NICfW should participate in and the reason.

As previously suggested as an advisory body a NICfW might work closely with any organisation where they are a strategic lead on infrastructure, providing equal access to analysis, advice and recommendations to maintain transparency in informing technical and democratic decision making as relevant.

Question 7: Do you agree that the Welsh Government should undertake and publish a review of NICfW's status and remit before the next Assembly election in 2021?

It will be important for any review to be able to consider significant developments that will be taking place during the current Assembly term. Regional level infrastructure work via four regional partnerships will have progressed

substantially over that period and the NICfW's role must be looked at in light of such developments.

Question 8 Do you agree that NICfW should work collaboratively with the UK National Infrastructure Commission where relevant?

As commented at question 2, "In order to establish an 'overview' of the national development of infrastructure and any potential interdependencies across Wales and to other countries, it would seem logical that the NICfW would need to be 'sighted' ". This equally applies, in principle, to collaboration with the UK National Infrastructure Commission where this is relevant and within its remit as an advisory, non-statutory commission.

Question 9: Do you agree that NICfW members should be appointed by virtue of their expert knowledge and experience?

Appointment by virtue of expert knowledge and/or experience may be appropriate in terms of an advisory role as currently suggested.

This must be distinguished from the approach as required for undertaking decision making in a democratic role. As such as in question 1: "The focus of the NICfW needs to be clearly understood in terms of whether they are considering informing strategic infrastructure at a technical level or democratic level or both".

This may also need to be considered in the context of the proposed review at question 7 of NICfW's status and remit before the next Assembly election in 2021?

It might be appropriate for a percentage of the membership to be appointed directly from representatives within the Welsh public sector service infrastructure organisations.

Question 10: Do you agree that all appointments to NICfW should be made through an open public appointments exercise?

Subject to comments in question 9. If membership is solely to be on the basis of an advisory role as currently suggested, then an open public appointment exercise might be appropriate in attaining the best expert knowledge and/or experience available.

Question 11: How do you think we should promote this public appointments process to under-represented groups?

On the basis that the NICfW might be purely an advisory body, then the WG has established processes for undertaking open public appointments to which it must adhere.

However, should the role of this body be more fundamentally oriented toward influencing the democratic structures of Wales then its make-up would require a fundamental review.

Question 12: Do you agree that NICfW should be able to commission targeted research? Please identify any specific research you think NICfW should commission as a priority in order to best inform its work, and explain why.

Research can be very useful in informing potential solutions particularly in terms of medium to longer term and innovative technologies, etc. However, any necessary targeted research should be focused and undertaken in conjunction with the lead infrastructure organisation/s and be directly accessible to inform the deliberations of that body in respect of its programme. Any research, however, should also be pertinent to current needs, requirements and trends i.e. it should be flexible in its approach.

Question 13: Do you agree that NICfW should publish an annual report on its work? What factors do you think might require reports to be published more than once a year?

The NICfW should be fully accountable and transparent in line with appropriate public sector policy and practice in terms of annual reporting on its work.

The NICfW should work openly and transparently with public sector bodies.
The NICfW should share reports on specific portfolios, programmes, and projects with lead infrastructure organisations.

The NICfW should share reports on specific portfolios, programmes, and projects with other participating collaborative organisations as well as appropriate participating stakeholders, except where exemptions might be made available to limit report distribution on the basis of certain commercially, politically, sensitive information, etc.

Question 14: Do you agree that NICfW should hold public meetings in North, Mid, South and West Wales to explain and promote its role?

The role of a NICfW should be explained clearly to as wide an audience of stakeholders as possible.

Your name/organisation and postal/email address

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We have asked a number of specific questions. If you have any related issues which we have not specifically addressed, please use this space to report them:

Responses to consultations are likely to be made public, on the internet or in a report. If you would prefer your response to remain anonymous, please tick here:

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