

LEGISLATIVE CONSENT MEMORANDUM

Cyber Security and Resilience (Network and Information Systems) Bill

1. This legislative consent memorandum is laid under Standing Order (“SO”) 29.2. SO29 prescribes that a legislative consent memorandum must be laid, and a legislative consent motion may be tabled, before Senedd Cymru¹ if a UK Parliamentary Bill makes provision in relation to Wales that has regards to devolved matters.
2. The Cyber Security and Resilience (Network and Information Systems) Bill (“the Bill”) was introduced in the House of Commons on 12 November 2025. The Bill was re-introduced on 14 May 2026 following the King’s Speech and can be found here: [Cyber Security and Resilience \(Network and Information Systems\) Bill - Parliamentary Bills - UK Parliament](https://publications.parliament.uk/pa/bills/cbill/59-01/0329/240329.pdf)
<https://publications.parliament.uk/pa/bills/cbill/59-01/0329/240329.pdf>

Policy Objective(s)

3. The UK Government’s stated policy objectives are to strengthen the UK’s cyber defences and ensure that the critical infrastructure and digital services UK citizens and business rely on are secured. It states that the Bill will represent a significant step forward in legislative efforts to protect the UK from the growing threats of cyber-attacks. The current cyber security regulations reflect law inherited from the EU, which have fallen out of date, and which have now been superseded in the EU.

Summary of the Bill

4. The Bill is sponsored by the Department for Science, Innovation and Technology.
5. The key provisions of the Bill cover
 - bringing more entities into scope of the regulatory framework,
 - empowering regulators and enhancing oversight, and
 - ensuring the regulatory framework can keep pace with the ever-changing cyber landscape.
6. In particular, the Bill seeks to
 - bring data centres (which house and process much of the data generated in the UK), large load controllers (which ensure appliances continue to be powered with the electricity they need by responding to electricity usage signals) and managed service providers

¹ Please note in accordance with Welsh Government policy we refer to the legislature in Wales as “Senedd Cymru” on first use and “the Senedd” thereafter unless the context stipulates otherwise.

(organisations which provide an ongoing managed IT service) into the scope of the regulations,

- enable designated competent authorities (DCAs, also referred to as regulators) to designate “critical suppliers” where an essential, digital or managed service which they regulate relies on a supplier and an incident affecting the network and information systems which that supplier relies upon could cause significant disruption to the relevant service,
- make provision regarding the designation of operators of essential services (an "OES") by a regulator and the duties which will apply to them,
- give the Secretary of State the power to introduce a Statement of Strategic Priorities to set outcomes for regulators to achieve and expectations for the implementation of the NIS Regulations,
- give the Secretary of State broad delegated Henry VIII powers to make regulations to make further provision in relation to specified network and information systems and to persons with functions under the regulations. Such powers could be used to bring new sectors and sub-sectors in scope of the regulations and to make changes to the responsibilities and functions of NIS regulators.

Engagement with the UK Government

7. The UK Government announced this Bill in the King’s Speech on 17 July 2024. The Bill was re-introduced in the Kings Speech on 14 May 2026. At the time, the Bill was titled the ‘Cyber Security and Resilience Bill’. UK Government officials have been in regular contact with Welsh Government officials since that announcement.
8. The Bill makes amendments to the Network and Information Systems Regulations 2018 (NIS Regulations), which implemented the EU Directive on Security of Network and Information Systems (known as the NIS Directive), adopted by the European Parliament on 6 July 2016.
9. The NIS Regulations were made by the UK Government’s Secretary of State, as designated under section 2(2) of the European Communities Act 1972 in relation to electronic communications.
10. The NIS Regulations came into effect on 10 May 2018 and seek to ensure that ‘essential services’ have adequate data and cyber security measures in place.
11. The NIS Regulations were subsequently amended by further regulations made under section 2(2) of the European Communities Act 1972 and section 8 of the European Union (Withdrawal) Act 2018. The Network and Information Systems (Amendment etc.) (EU Exit) Regulations 2019 amended the NIS Regulations to take into account the UK exiting the

EU and the changing landscape of cyber security brought about by Brexit and amendments to the NIS Directive.

12. The Network and Information Systems (NIS) 2 Directive (NIS 2 (Directive (EU) 2022/2555)) has since been made and applied in the EU.
13. The Bill's provisions look to update the NIS Regulations across the UK. The NIS Regulations currently apply to five sectors of critical national infrastructure: transport, energy, drinking water, health, and digital infrastructure, as well as certain digital services, including online marketplaces, online search engines, and cloud computing services.

Provisions in the Bill for which consent is required

14. The Bill's provisions relate to the reserved matters of telecommunications and wireless telegraphy (Schedule 7A to GoWA, C 9; para 83) and national security (B 3 para 32). Such provision would not be within the Senedd's legislative competence (ignoring the requirements for consent/consultation in Schedule 7B) for the purpose of section 108A GoWA.
15. However, the Bill makes provision which confers, removes or modifies functions of the Welsh Ministers and/or Devolved Welsh Authorities (DWAs) in non-devolved areas, for which the consent of the Senedd must be sought. The Bill also makes provision which increases, or could be exercised by the Secretary of State in the future to increase, the regulatory burden on water companies that supply drinking water whose area is wholly or mainly in Wales, the regulation of which is devolved.
16. Twelve regulators oversee the enforcement of the regulations. The Welsh Ministers are designated as the competent authority (DCA) for health services and for drinking water supply and distribution in Wales under Regulation 3(1) and Schedule 1 of the NIS Regulations 2018. The Bill does not alter this designation but modifies the functions of the Welsh Ministers in their role as regulator.
17. These modifications include new powers to designate critical suppliers, expanded enforcement, charging and information-sharing powers, duties to issue guidance, reporting obligations and alignment with strategic priorities set by the Secretary of State.
18. These changes may have downstream implications for Primary Care and Mental Health systems and suppliers, depending on future designation decisions and implementation. No issues have been identified from a Primary Care and Mental Health perspective in relation to the designation or the way in which the Bill captures the DCA for health.

19. The majority of the functions of the Welsh Ministers in relation to drinking water are delegated to the Drinking Water Inspectorate (DWI). The DWI currently operates on an England and Wales basis, but this is by virtue of the Welsh Ministers having appointed the same Chief Inspector for Drinking Water, rather than by virtue of there being a single statutory entity for England and Wales.
20. The following clauses require the consent of the Senedd to the extent they make provision in relation to Wales that has regard to devolved matters.

Part 2: the NIS Regulations

21. **Clause 12 Critical suppliers.** These clauses will enable a DCA or the Information Commissioner to designate a person as a “critical supplier” within their sectors. These suppliers will then be subject to the NIS Regulations.
22. It places procedural requirements on DCA’s in making a designation, including: (i) providing reasons to the person they are proposing to designate; (ii) taking into account any representation that person makes; and (iii) consultation requirements, including a requirement to consult certain other relevant regulators.
23. It also introduces a requirement for DCA’s to co-ordinate with certain other relevant regulators in exercising their functions under the NIS Regulations.
24. As the Welsh Ministers are the DCA for health services and for drinking water supply and distribution in Wales, this clause confers additional functions on them in that role.
25. **Clause 15 Reporting of incidents by regulated persons.** New NIS regulation 11 will require regulated persons to make prescribed reports to the relevant DCA, which may be the Welsh Ministers or a DWA.
26. The UKG view is that this clause does not alter the functions of devolved governments or DWAs and that no LCM is therefore required.
27. However, this clause expands the type of incidents that are required to be reported under the NIS Regulations. Under new regulation 11B, the DCA is given functions in relation to notified incidents. The DCA is also given the power to direct the regulated person to inform the public about any incident.
28. This clause therefore modifies the functions of the Welsh Ministers or any DWAs in relation to the receipt of and response to incident reports under this provision. This provision also increases the regulatory burden on

water companies that supply drinking water whose area is wholly or mainly in Wales, the regulation of which is devolved.

29. **Clause 17 Powers to impose charges.** This clause amends the power for DCAs to impose charges under the NIS Regulations. It inserts a new Part 5A into the NIS Regulations to provide a framework for regulators to impose charges on regulated persons and/or recover costs from them, where the costs relate to the discharge of their regulatory duties under the NIS Regulations.
30. The Bill will amend the existing cost recovery provisions which previously permitted DCAs to only recover costs directly.
31. This clause will create a new power to impose charges that regulators will need to consider exercising, as well as placing procedural requirements where they do wish to impose a charge – such as consulting on and publishing a charging scheme and producing a charging statement. This is therefore a modification to their functions.
32. **Clause 18 Sharing and use of information under the NIS Regulations etc.**
33. The UKG view is that this clause does not alter the functions of the Welsh Ministers or any DWAs. The UKG considers that these provisions provide a gateway for information sharing, rather than putting a requirement for regulators (including the devolved governments) to share information. They therefore do not consider this an alteration of functions.
34. Regulation 6 of the NIS Regulations already provides that the Welsh Ministers, as an NIS enforcement authority, may share information with each other for essentially the same purposes.
35. However, new regulation 6A (Other disclosures by a NIS enforcement authority) goes further, and provides that the Welsh Ministers, as an NIS enforcement authority, may disclose information to the Secretary of State if the authority considers that the information may be relevant for the purposes of a report under clause 40 of the Bill, or may otherwise assist the Secretary of State.
36. Clause 40(6) enables the Secretary of State to request information from regulators for the purposes of producing the report, which the regulators must then provide.
37. New regulation 6B (Onward disclosure of information received under regulation 6 or 6A) further extends the scope of this discretionary function.
38. This extended power to disclose for new purposes, together with the associated requirement to share information under clause 40(6), is a modification of Welsh Minister functions.

39. **Clause 19 Guidance.** This clause makes additional provision about what must be included in the guidance issued by DCAs under regulation 3 of the NIS Regulations.
40. This clause places requirements on regulators to issue guidance and specifies what it must include. This is more prescriptive than the existing requirement under the NIS Regulations and is therefore considered to be an additional function for regulators.
41. **Clause 20 Powers to require information.** This clause gives DCAs additional powers to request information from any person that is regulated by them, or who they consider to be likely to have the information or documents sought, that they reasonably require in order to exercise, or decide whether to exercise, any of their regulator functions under the NIS Regulations.
42. This extended power to require information for new purposes, together with the associated requirement to share information under clause 40(6), is considered to be a modification of Welsh Minister functions. This provision also be exercised so as to increase the regulatory burden on water companies that supply drinking water whose area is wholly or mainly in Wales, the regulation of which is devolved.
43. **Clause 21 Financial penalties.** This clause explains the circumstances in which DCAs may issue a regulated person with a penalty.
44. It also enables regulators to consider all relevant circumstances of a case when determining penalties, including patterns of non-compliance and proportionality of fine levels.
45. The clause also make provision relating to the penalty structure and introduces a new maximum penalty of 4% turnover, in addition to the current numerical cap of £17m, whichever is higher. It simplifies the penalty.
46. The UKG view is that this clause, as it relates to enabling DCAs to consider all relevant circumstances of a case when determining penalties, will modify the functions of regulators and that an LCM should be sought to that extent.
47. It is not considered that the provisions relating to penalty structures modify the functions of devolved governments or DWAs - regulators can already impose penalties for non-compliance.
48. An LCM is therefore required for the provisions which enable regulators to consider all relevant circumstances of a case when determining penalties.
49. **Clause 22 Enforcement and appeals.** Schedule 1 makes amendments to the NIS Regulations relating to enforcement and appeals. These provisions amend the enforcement powers available to regulators.

Part 3: Security and resilience of systems – functions of the Secretary of State

50. **Clause 25 Statement of strategic priorities etc.** This clause allows the Secretary of State to designate a statement of strategic priorities. The statement must set priorities, together with objectives for regulators relating to the priorities.
51. The UKG view is that clause 25 does not alter the functions of devolved governments or DWAs. The UKG say that whilst regulators will have to seek to achieve certain outcomes, how they do this will be for individual regulators to determine in the context of exercising their existing functions.
52. However, the statement of strategic priorities may make provision in relation to the roles and responsibilities of regulatory authorities to give effect to the stated priorities and set objectives for regulatory authorities in seeking to give effect to those priorities and in carrying out their roles and responsibilities. Therefore, in exercising this new power, the Secretary of may impose new duties on regulators.
53. Similarly, whilst the power to withdraw and amend a statement of strategic priorities lies with the Secretary of State, any withdrawn statement and/or amended statement may make provision in relation to the roles and responsibilities of regulatory authorities (including the Welsh Ministers) in giving effect to the stated priorities and set objectives for them.
54. This could again affect a removal or a modification in the functions of the Welsh Ministers as regulator.
55. **Clause 27 - Duties of regulatory authorities in relation to statement.** Clause 27 introduces requirements on regulators in relation to the designated statement of strategic priorities. Regulators must have regard to the statement whilst carrying out their regulatory functions and will have to exercise their functions in a way that seeks to achieve the outcomes in the statement.
56. The UKG view is that no LCM is required, for this clause because whilst regulators will have to seek to achieve certain outcomes, how they do this will be for individual regulators to determine in the context of exercising their existing functions.
57. However, regulators will have to have regard to the strategic priorities set out by the Secretary of State when exercising their functions and seek to achieve any relevant objectives set out in the statement. This is therefore a modification of functions.
58. **Clause 28 - Report by Secretary of State.** The Secretary of State will be expected to issue a report on how the regulators sought to achieve the

outcomes, for which the Secretary of State may request information from the regulators.

59. Subsections (4) and (5) set out that the Secretary of State may require a regulator to provide information for the purposes of compiling the report, through the issuing of an information notice.
60. The UKG view is that no LCM is required because this clause does not modify the existing functions of regulators.
61. However, this clause allows the Secretary of State to impose new duties on regulatory authorities for the purposes of the report, which must be complied with. A regulator in receipt of an information notice must provide the information by the deadline and in the format specified by the notice.
62. **Clause 29 Regulations relating to security and resilience of network and information systems.** These clauses create a delegated power that enables the Secretary of State to make regulations for certain specified purposes relating to network and information systems.
63. This clause provides the Secretary of State with the power to make regulations for certain specified purposes. This may include regulations which confer functions on regulators.
64. The UKG agree that clause 29 provides the Secretary of State with the power to make regulations for certain specified purposes, including regulations which may confer functions on regulators. This provision could also be exercised to make regulations that increase the regulatory burden on water companies that supply drinking water whose area is wholly or mainly in Wales, the regulation of which is devolved.
65. **Clause 30 Imposition of requirements on regulated persons.** Clause 30 expands on the extent of the power for the Secretary of State to make regulations for the purpose of protecting network and information systems, providing that regulations made under clause 29(1) can impose requirements on regulated persons.
66. Subsection (6) provides a non-exhaustive list of specific requirements that may be imposed on regulated persons, including requirements regarding the reporting of certain matters and disclosing information to regulators and other persons.
67. The UKG view is that this clause does not alter the functions of devolved governments or DWAs.
68. However, regulations made under this power could require regulated persons to provide information to regulators. The receipt of that information would be an additional function for regulators. This provision also supplements Clause 29 which, as previously noted, could be exercised to make regulations that increase the regulatory burden on

water companies that supply drinking water whose area is wholly or mainly in Wales, the regulation of which is devolved.

69. **Clause 31 Functions of regulatory authorities: enforcement, sanctions and appeals.** This clause allows regulations made under clause 29 to authorise regulators to take certain steps in relation to enforcement, sanctions and appeals.
70. The regulations made under this clause may impose additional functions on regulators.
71. The UKG agree that this clause allows regulations made under clause 29 to authorise regulators to take certain steps in relation to enforcement and financial penalties, which is a modification of their functions. This provision also supplements Clause 29 which, as previously noted, could be exercised to make regulations that increase the regulatory burden on water companies that supply drinking water whose area is wholly or mainly in Wales, the regulation of which is devolved.
72. **Clause 32 Provision about financial penalties.** Clause 32 sets out what can be included in regulations about financial penalties made under clause 29(1).
73. Provision may include how regulatory authorities must deal with sums received by way of a penalty and recover unpaid penalties.
74. The UKG agree that this clause allows regulations to make provision in respect of financial penalties, so could be exercised to place functions on regulators in relation to financial penalties. This provision also supplements Clause 29 which, as previously noted, could be exercised to make regulations that increase the regulatory burden on water companies that supply drinking water whose area is wholly or mainly in Wales, the regulation of which is devolved.
75. **Clause 33 Regulatory authorities and other persons: information, guidance and other functions.** This clause allows regulations made under clause 29 to confer additional functions on regulators relating to information sharing and guidance.
76. The UKG agree that this clause allows regulations made under clause 29 to confer functions on regulatory authorities relating to information sharing and guidance. This provision also supplements Clause 29 which, as previously noted, could be exercised to make regulations that increase the regulatory burden on water companies that supply drinking water whose area is wholly or mainly in Wales, the regulation of which is devolved.
77. **Clause 34 Recovery of costs of regulatory authorities.** This clause allows regulations made under clause 29 to make provision in respect of fees and therefore could be exercised to place functions on regulators in relation to fees.

78. The UKG agree that this clause allows regulations made under clause 29 to make provision in respect of fees, so could be exercised to place functions on regulators in relation to fees. This provision also supplements Clause 29 which, as previously noted, could be exercised to make regulations that increase the regulatory burden on water companies that supply drinking water whose area is wholly or mainly in Wales, the regulation of which is devolved.
79. **Clause 35 Supplementary provision and interpretation.** Clause 35 adds supplementary detail on what regulations made under clause 29(1) may do, including the conferral of functions involving the exercise of a discretion; to provide for the delegation of functions by a regulatory authority; and to require a person to have regard to guidance or to a code of practice.
80. The UKG agrees that this clause allows regulations to confer functions and provide for the delegation of functions by a regulatory authority. This provision also supplements Clause 29 which, as previously noted, could be exercised to make regulations that increase the regulatory burden on water companies that supply drinking water whose area is wholly or mainly in Wales, the regulation of which is devolved.
81. **Clause 36 Code of practice.** The Secretary of State may issue a code of practice for regulated persons describing measures recommended for the purposes of compliance with requirements imposed on them under regulations made under section 29(1), or the NIS Regulations. This is subject to consultation, which may include consultation with regulators.
82. The UKG view is that this clause does not alter the functions of devolved governments or DWAs who will be overseeing compliance with the regulations. If issued, a code of practice would be used to help compliance with regulations but would not change how the devolved governments or DWAs enforce the regulations.
83. However, the Welsh Ministers as regulators must under clause 38(4) have regard to the code as relevant to their duties of oversight under the Act, and as such that would be a modification of the way in which they perform those functions. The Secretary of State may also consult with regulators on the Code. This provision also supplements Clause 29 which, as previously noted, could be exercised to make regulations that increase the regulatory burden on water companies that supply drinking water whose area is wholly or mainly in Wales, the regulation of which is devolved.
84. **Clause 38 - Effects of code of practice.** Subsection (4) sets out that a regulator must take into account a provision of a code of practice issued under clause 36 when assessing compliance with requirements under clause 29(1) or the NIS Regulations if that provision of the code was active at the time the duties applied and appears to the regulator to be relevant.

85. The UKG view is that this clause does not alter the functions of devolved governments or DWAs, who will be overseeing compliance with the regulations. If issued, a code of practice would be used to help compliance with regulations which are reserved but would not change how the devolved governments or DWAs enforce the regulations.
86. However, sub-section (4) imposes a new duty on regulators to take account of any Code and thereby modifies the way in which they may exercise their functions.
87. **Clause 39 - Withdrawal of code of practice.** Clause 39 allows the Secretary of State to withdraw the code of practice and sets out the process for doing so.
88. The UKG view is that this clause does not alter the functions of devolved governments or DWAs, who will be overseeing compliance with the regulations. If issued, a code of practice would be used to help compliance with regulations which are reserved but would not change how the devolved governments or DWAs enforce the regulations.
89. However, regulators are required to consider the code under clause 38(4). If the code was subsequently withdrawn, they would no longer have to do so. This would be a modification in the exercise of their functions.
90. **Clause 40 - Report on network and information systems legislation.** Clause 40 sets out requirements for the Secretary of State to report on the operation of network and information systems legislation.
91. Subsection (6) enables the Secretary of State to request information from regulators for the purposes of producing the report, which the regulators are required to provide.
92. The UKG view is that this clause does not alter the functions of devolved governments or DWAs.
93. However, the Secretary of State may require regulators to provide information in connection with these reporting requirements. This provision does therefore alter the functions of the Welsh Ministers or DWAs.
94. **Clause 41 - Regulations under section 24 or Chapter 3.** The power for regulations to make consequential amendments includes power to amend or repeal provision made by primary legislation.
95. Primary legislation is defined as including an Act or Measure by Senedd Cymru.

96. Consequential etc provision made to Senedd Acts or Measures under this power may therefore include relevant provision in relation to Wales that has regard to devolved matters.

Part 3: Directions for national security purposes

97. **Clause 45 - Monitoring by regulatory authorities.** This clause enables the Secretary of State to delegate the monitoring of compliance with a direction to a regulatory authority. Regulators may be directed to obtain information relating to compliance and report this information to the Secretary of State.
98. Whilst this clause says the Secretary of State may not issue a monitoring direction to the Welsh Government (defined in s. 45 of GOWA as having the FM, WMs, CG and Deputy WMs as its members), the Welsh Government may be asked to comply with any equivalent request and exercise their powers to do so.
99. If the Welsh Ministers agree to comply with a request made by the Secretary of State under this provision, it would be a new function for them.
100. The UKG agree that this clause enables the Secretary of State to delegate the monitoring of the compliance with a direction to a regulator and that monitoring compliance with a national security direction is not a current function of the NIS regulators.
101. **Clause 46 - Information gathering.** Clause 46 gives regulators the power to issue an information notice to require a person to provide information which is reasonably required to exercise the functions granted in this Chapter of the Bill.
102. The UKG view is that this clause does not alter the functions of devolved governments or DWAs. If exercised, the power would be used strictly for reasons of national security, which is a reserved matter.
103. However, subsection (2) grants the power for a relevant regulator to require a regulated person to provide information that the relevant regulator requires to comply with a monitoring direction or request issued under clause 45. If exercised, this would be a new function for them.
104. **Section 47 – Inspections.** Where a regulatory authority is subject to a monitoring direction under section 43 or a request has been made of it under section 43(9), it may carry out all or any part of an inspection or appoint a person to do so.
105. The UKG view is that this clause does not alter the functions of devolved governments or DWAs. If exercised, the power would be used strictly for reasons of national security, which is a reserved matter.

106. However, clause 47 gives regulators the power to carry out inspections where they have accepted a request under section 45(9). This is a modification of their functions.
107. **Clause 48 - Notification of contravention.** Clause 48 gives regulators the power to issue a notification of contravention where there are reasonable grounds to suspect a person has not complied with requirements as set out in this Part of the Bill.
108. The UKG agree that this clause enables regulators to issue contravention notices, that include financial penalties that the regulator is minded to impose, where a regulated entity has failed to comply with these requirements.
109. This provision gives regulators the power to issue a notification of contravention, which is a modification of their functions.
110. **Clause 49 - Penalty amounts.** Clause 49 outlines the penalties that can be imposed by enforcement authorities for non-compliance. It also grants the Secretary of State the power to make regulations to define the calculation of turnover for penalties.
111. Clause 49 gives regulators the power to determine the penalty amount in a contravention notice. This is a modification of their functions.
112. **Clause 50 - Enforcement of notification.** Clause 50 gives enforcement authorities the power to issue confirmation decisions where a person has been given a notification of contravention under clause 48, and where the enforcement authority is satisfied that non-compliance has taken place. The confirmation notice sets out the final decision and can require a penalty to be paid.
113. Clause 50 gives regulators the power to take enforcement action where a regulated entity has failed to comply with prescribed requirements. This is a modification of their functions.
114. **Clause 51 - Enforcement of penalty.** This provides that unpaid penalties are recoverable by enforcement authorities as a civil debt.
115. This clause gives regulatory authorities powers to enforce penalties issued under clause 50, which is a modification to their functions.
116. **Clause 52 - Enforcement of non-disclosure requirements.** Clause 52 sets out how breaches of non-disclosure requirements will be enforced, including the process for enforcement and the associated penalties.
117. The UKG view is that this clause does not alter the functions of devolved governments or DWAs. If exercised, the power would be used strictly for reasons of national security, which is a reserved matter.

118. However, enforcement authorities may impose non-disclosure requirements under sections 48(9) and 50(9). An LCM is required for clauses 48 and 50. This provision relates to the enforcement of non-disclosure requirements imposed under those sections.
119. **Clause 56 - Information sharing.** This clause sets out the power of regulatory authorities to disclose information to other specified persons.
120. The UKG view is that this clause does not alter the functions of devolved governments or DWAs.
121. However, this provision gives power to regulatory authorities to share information where necessary for national security purposes.
122. Whilst national security is reserved, the discretion to share information for that purpose under the Bill is a new function for regulatory authorities.

UK Government view on the need for consent

123. DSIT have provided a Devolution Analysis which states that consent is required for Clauses 12, 17, 19, 20, 22, 29, 31, 32, 33, 45, 48, 49, 50 and 51.
124. I agree with this assessment but, for the reasons outlined above, assess that consent is also required for clauses 15, 18, 21, 25, 27, 28, 30, 34, 35, 36, 38, 39, 40, 41, 46, 47, 52 and 56.

Reasons for making these provisions for Wales in the Cyber Security and Resilience (Network and Information Systems) Bill

125. Welsh Government supports extending regulators' powers over critical suppliers, addressing a gap in the current NIS Regulations. Following the 2022 Advanced ransomware attack on Welsh patient data, Welsh Government's 'Once for Wales' and 'defend as one' approach recognises suppliers as a major risk. New guidance via secondary legislation will enable a risk-based, cross-border response.
126. Similarly, and in relation to the drinking water sector, the Welsh Government supports the Bill's objective of strengthening cyber defences. The Independent Water Commission's final report highlighted gaps in the industry's security arrangements and referred to an increasing number of cyber incidents. A cross-border approach is considered an effective means of safeguarding infrastructure and maintaining cyber resilience across the drinking water sector.
127. The provision made in the Bill relates to the reserved matters of telecommunications and wireless telegraphy (Schedule 7A, C 9; para 83) and national security (B 3 para 32).

128. However, an LCM is nonetheless required as a number of provisions in the Bill confer, remove or modify functions of the Welsh Ministers and/or Devolved Welsh Authorities (DWAs) or otherwise have regard to devolved matters as detailed above.

Financial implications

129. The legislative changes are expected to increase costs for water companies to meet enhanced cyber resilience requirements, potentially affecting future price reviews. There are also likely to be implications for the Drinking Water Inspectorate due to greater regulatory responsibilities. The Department for Science, Information and Technology published an Impact Assessment alongside the Bill, which considers the expected impacts on regulated entities, which would include the water sector. However, at this stage, the analysis is not disaggregated into a water sector level, water company level or a Wales specific level.

130. In the health sector, expanding the scope to include critical suppliers—many of whom are not currently covered by NIS Regulations—raises financial considerations. The fragmented nature of supplier arrangements across Wales means a significant pre-implementation scoping exercise will be needed to accurately assess costs and identify technical solutions for centralisation.

Conclusion

131. I will continue to monitor and provide updates on this Bill's passage through Parliament. I will bring forward a recommendation to the Senedd on whether to give consent to the Bill once Welsh Government has analysed the wider impact of the UK legislative programme for Wales.

Adam Price, MS
Cabinet Minister for Enterprise, Connectivity and Energy
09 June 2026