



Cyber Security and Resilience (Network and Information Systems) Bill

Response to the Climate
Change, Environment and
Infrastructure Committee
Report on the Legislative
Consent Memorandum

In February 2026, the Climate Change, Environment and Infrastructure Committee submitted its report on the Welsh Government's Legislative Consent Memorandum on the Cyber Security and Resilience (Network and Information Systems) Bill. The report includes 2 conclusions. This is the Welsh Government's response.

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Introduction

The Cyber Security and Resilience (Network and Information Systems) Bill makes updates to the UK's only cross-sector cyber regulations, the Network and Information Systems Regulations 2018 (S.I. 2018/506) ("NIS Regulations"), as well as delivering new powers with the aim of ensuring government can respond to new and emerging cyber threats.

The Bill will update the NIS Regulations by bringing more entities into their scope and equipping regulators with powers with the aim of better fulfilling their duties. The Bill includes powers to amend and add to the NIS Regulations in the future and respond to imminent and actual threats to UK national security. These reforms are intended to better protect the services and other activities that are essential to the day-to-day functioning of society in the UK, and the economy, through safeguarding relevant network and information systems (the systems that allow computers and other devices to communicate with each other) and their surrounding environment.

I thank the members of the Climate Change, Environment and Infrastructure Committee for their report on the Cyber Security and Resilience (Network and Information Systems) Bill Legislative Consent Memorandum and have set out my response to the report's individual recommendations below.

Response to the Committee's Views

The Committee report highlighted several views on the Legislative Consent Memorandum.

1. The Committee notes that the provisions of the Bill relate to reserved matters, however it includes provision which increases, or could increase in the future, the regulatory burden on water companies, whose area is wholly or mainly in Wales, that supply drinking water, the regulation of which is devolved.

“We note that the increased regulatory burden on water companies could lead to increased costs, as they will be required to meet enhanced cyber resilience requirements. We are concerned about the potential impact of this on customer bills, which have already increased substantially following the last price review. We would therefore be grateful for clarification on whether any assessment has been made of the additional cost to water companies in Wales.”

Response

I note the Committee's concerns regarding the potential for the Cyber Security and Resilience (Network and Information Systems) Bill to increase regulatory burdens on water companies operating wholly or mainly in Wales, and the possible implications for customer bills.

The Department for Science, Innovation and Technology (DSIT) has published an [Impact Assessment](#) alongside the Bill, which considers the expected impacts on regulated entities, which would include the water sector. This includes an assessment of anticipated compliance costs, such as familiarisation, security enhancements and contractual changes. At this stage, the analysis is not disaggregated into a water sector level, water company level or a Wales specific level.

Although enhanced cyber resilience requirements may entail additional costs for water companies, the Impact Assessment notes the Bill seeks to reduce both the likelihood and the impact of cyber-attacks, delivering wider resilience benefits. These benefits arise from strengthening cyber security requirements, improving enforcement, and supporting more effective information sharing across sectors.

The Welsh Government will continue to engage closely with DSIT and the Department for Environment, Food, and Rural Affairs as the Bill progresses,

including during the development of any necessary secondary legislation, to ensure that the impacts on companies operating in Wales are fully considered. We will also continue to work with regulators to understand and manage any potential implications for customers, noting that company expenditure is subject to regulatory scrutiny by the water economic regulator Ofwat.