

## **MAJOR DISRUPTION TO WATER SUPPLIES ARISING FROM THE RECENT SEVERE WEATHER**

Go raibh maith agat, a LeasCheann Comhairle. I welcome this opportunity to update the Assembly on the major interruption to water supplies arising from the recent severe weather.

### **Current Situation**

Before I go into those details I should update members on the current situation. Thankfully, we are seeing a return to more normal conditions. NIW has confirmed that all properties have been back on supply since last week following the interruptions over the Christmas and New Year period. Rotation of water supplies has ended, calls are being answered and outstanding calls are being followed up. This has meant that NIW has been able to reduce its level of emergency response. Last week I had the emergency Direction I put in place during the incident withdrawn.

Though NIW has returned to business as usual activities, the amount of additional water being put into the distribution system remains higher than normal for this time of year (around 55 million liters per day more). But this is significantly less than at the peak of the incident.

Leakage detection and repair teams continue to be deployed and other agencies such as Royal Mail and council workers continue to provide assistance in reporting visible leakage.

Storage in the majority of service reservoirs has almost returned to normal daily trends but they are being closely monitored on NIW's telemetry. There are no severe weather warnings in place and NIW staff remain on a state of high alert.

NIW is also taking forward the implementation of action points and immediate lessons learnt relating to the incident. There is a particular focus on improved customer communications. I have also asked NIW to have its Major Incident Plan reviewed by an external expert and NIW has arranged to have this review completed by 27 January.

## **Thanks to Staff**

The situation has been restored because many NIW staff and contractors, supported by other public bodies, worked tirelessly over the holiday period to reconnect customers to the water supply.

I want to record my thanks to all of those in NIW and to the many other organisations who helped NIW to deal with the emergency situation. I am grateful for the co-operation that was so willingly offered and given.

## **Freeze – Thaw**

Turning to the emergency itself, the events which occurred over the Christmas and the New Year period took place during the coldest month in the North since records began.

The record breaking period of sub-zero temperatures over two weeks was followed by a dramatic thaw from 26 to 27 December which saw temperatures rise by as much as 20°C.

Such severe weather conditions, accompanied by the switch from Freeze to Thaw over such a quick period, was unprecedented in the North, and indeed in most places.

The leakage this caused in the public network together with bursts on private pipes caused levels of drinking water held in service reservoirs to fall rapidly from 27 December and the demand for drinking water to rise sharply. Demand increased by over 200 million litres a day. NIW's water treatment works were operating at maximum capacity during the emergency producing 850 million litres a day compared to the more normal annual average of 620 million litres per day.

At the height of the emergency, thousands of households were without supply and, to preserve minimum and critical supplies,

tens of thousands of households received intermittent supplies as a result of rotation by NIW.

On the communication side of NIW's operations 26 December saw a six fold increase in customer calls (from a normal level of around a thousand per day). As a result, NIW activated its top level emergency response. Over 27-29 December, ten times this number of calls (i.e. 600,000) were received and communication systems were overwhelmed.

In responding to the crisis NIW deployed over 500 staff and contractors on the ground, fixed over 800 bursts and provided over a third of a million litres of bottled water. It took on additional call centre help and additional water supplies from outside the North as well as working with other public bodies through the public sector wide Civil Contingencies Group.

For my own part, I received information and advice on the emerging situation from NIW and my Departmental officials

on Monday 27 December and was immediately in contact with the Chief Executive and other senior officials. I was on the ground in Lurgan and Coalisland with the Deputy First Minister on Tuesday 28 December, to see the problems people were facing for myself. I talked with Minister Keith Brown, my equivalent in Scotland, that evening to discuss the provision of assistance - bottled water supplies - from Scottish Water. These supplies were received by NIW on Wednesday 29 December.

As the thaw continued through 27 and 28 December there was a stepped increase in the problems being reported and the impact of the water supply disruption started to become clearer. On the afternoon of Tuesday 28 December my Department's Permanent Secretary contacted the Head of the Civil Service expressing his concern over the evolving situation and raising the question of the need to convene a meeting of the Civil Contingencies Group. This is the body set up to coordinate public sector organisations in an emergency. The Head of the

Civil Service was abreast of the issue as he had been briefed on the developing situation by his representative participating in the daily regional teleconferences hosted by Belfast City Council and Local Government Management. These teleconferences had been taking place daily since before Christmas with the exception of Christmas Day. The Head of the Civil Service reviewed the information available to him and, first thing on Wednesday 29 December, made the decision to convene a meeting of the Civil Contingencies Group. The Group met on Thursday 30 December and from then the Group or its Tactical Recovery Sub-group met on a daily basis throughout the emergency. A large-scale public sector inter-agency effort followed with co-operation from a wide range of bodies.

## **Failures**

Although NIW deserves credit for restoring supplies quickly where it could, it is obvious that there were very significant failings in the delivery of a basic public service. Clearly this is so in terms of communication, perhaps also in planning,

infrastructure and control. In the statement that accompanied his resignation, former Chief Executive of NIW Laurence Mackenzie accepted this and recognised that there were aspects of the way in which NIW handled the situation that could have been better.

However, the Executive has agreed to a review of the incident and that is now the right place to consider these issues.

### **Ministerial/Departmental Governance Role**

But having said this, I have never ducked criticism nor avoided answering questions around my own role and that of the department. I have apologised to the public on behalf of my department. I said I was sorry that the people felt let down by the service they received. But, apologies aside, my main focus and that of the Executive has been the restoration of supplies and analysis of what went wrong, and immediate lessons learnt.

I will not satisfy those political opportunists, whose primary interest in this incident was to see what political advantage it might afford them. Their calls for my resignation are widely recognised for what they are, cynical exploitation of peoples misery and hardship.

Of course, it suits some people not to understand the governance arrangements which were created by Direct Rule Ministers and which I inherited in 2007. I understand the political realities behind this feigned ignorance. But the legal reality is that NIW is responsible for the delivery of water and sewerage services. My role as Minister carries responsibility for the policy and legislative framework and for appointing the NIW Board to deliver water and sewerage services. This is not my opinion or my interpretation, it is what the legislation governing water and sewerage says. (For those who are interested, Article 65, paragraph 1 together with Article 91 of the Water and Sewerage Services (NI) Order 2006 refers to responsibility for water supply).

NIW owns the reservoirs, the treatment works, the chemicals to treat the water, the pumping stations and the pipes to supply water to customers. It employs the engineers, support staff and call centre operators and has the arrangements with contract staff which are necessary to deliver water. The Department does not have these resources and it is not in charge of them.

NIW's responsibility includes taking actions, making plans and having in place measures to preserve and maintain services. This is a heavy responsibility which must be discharged each and every day.

As shareholder I appoint people to the Board of NIW to accept this responsibility and they are remunerated accordingly.

But, in case anyone was unclear where responsibility for preserving services and dealing with civil emergencies lay, I issued a Direction to NIW in August 2010 to make, review and

revise plans to ensure the provision of essential water supplies in a civil emergency. This included requirements that training, backup equipment and materials, communications support and command and control arrangements were in place. A copy of the Direction was laid before the Assembly. So I reject accusations that I did not take my governance role seriously or that I was unconcerned. Various assurances that work was being taken forward and contingency plans were in place were received through normal Departmental channels. The fact is that plans were in place but that alone was not sufficient to cope with the exceptional circumstances which arose.

However, as I have said, the Executive has agreed the remit for a review of the emergency, including my own role, and I am content to await its outcome.

## **Review**

Turning to the Review, the Executive met on 30 December to discuss the emergency. Following that meeting I undertook to

put forward proposals for a review and to suggest immediate steps that NIW should take.

On 6 January the Executive agreed my proposal for a review by the independent Utility Regulator on the basis of terms of reference suggested by the Regulator. These set out that the purpose of the investigation is to -

- establish the causes of the loss of water supply in the North during the adverse weather conditions experienced in late December 2010 and early January 2011.
- examine the performance of Northern Ireland Water in planning for and reacting to this event.

Some comments have been made through the media on the independence of a review undertaken by the Regulator. I find these hard to understand.

The Regulator is an established independent body which already has statutory duties and powers to regulate water and sewerage

services. It has experience, knowledge and access to a range of required industry skills as well as its own resources.

While the Regulator has responsibilities that may overlap with the areas covered by the review, the alternative is to appoint a body or individuals with no background knowledge, experience or powers and dependent on my Department for appointment and resources. I believe that this would be less independent.

The Executive also agreed a second strand to the Review to be carried out by Heather Moorhead, former Chief Executive of NILGA and Philip Holder, who has 25 years' experience in the utilities sector with East Surrey Holdings. They will consider the broader governance issues, including the role and responsibilities of myself as the Minister for Regional Development and my Department in relation to this incident.

The composite report, including the work of both the Regulator and the two appointees, will be submitted to the Executive by the end of February. After consideration the report will be published.

Importantly, if any short term recommendations to improve performance are identified, they will be implemented immediately.

As I said earlier, I have already asked and obtained from NIW an action plan on the immediate and short term improvements that they can make to their Major Incident Plan. This is so they are better prepared for any recurrence of this type of incident. Alongside this I asked for key learning points from all the public services represented on the Civil Contingencies Group. I have provided preliminary action points to the Executive for information.

## **Investment**

To move from the short term to the long term, much comment has been made on the state of our infrastructure and the level of investment. How well informed some of this is I am not sure. I will have invested almost a billion pounds in our water and sewerage infrastructure by the end of this financial year.

Much of the investment has gone towards helping NIW to deliver the best drinking water quality the North has ever enjoyed. Waste water treatment standards are also the best ever and even overall leakage has reduced. But clearly more is needed to catch up for the years of underinvestment. If justification was needed for continued investment, the recent situation demonstrates it.

Unfortunately the availability of funding will not allow us to make all the investment we would like over the next four years. To partially address this I am proposing that additional funding is reallocated to water and sewerage from within my Department's draft budget. I have done everything I can as DRD Minister to make sure that investment continues.

## **Governance**

This brings me to wider governance issues. In my statement to the Assembly on 13 September 2010, I outlined a number of proposals aimed at addressing the governance of the water industry in the short and longer term. I proposed a long term review of the status of NIW and intend to submit recommendations to the Executive. In the short term I proposed amendment of existing legislation to stabilise current governance arrangements. The Executive has just agreed to my bringing forward a Bill to put short term measures into effect. In addition, we have concluded agreements with the Regulator, initiated a non-executive directors' appointments process and officials are working on a revision of detailed governance controls between DRD and NIW.

I do not claim that these arrangements would have prevented the recent emergency but I do believe the structure we inherited in 2007 has not helped. This legacy left us with a GoCo model in law which is at odds with public sector provision of water and sewerage services which I believe most people support.

It remains my view that governance arrangements should be based on water and sewerage services being delivered by a body clearly within the public service, subject to public sector controls and standards and not set up to introduce separate water charges.

I hope that those who have thus far opposed any change to the structures of NIW will now accept my argument that this is an organisation which needs to be brought much closer to Government.

Looking more broadly, I believe we need to consider the roles and structure of all arms length bodies and whether they contribute to delivering public services. But clearly this will be a matter for the next Executive.

## **Conclusion**

I have attempted to cover all aspects of this emergency. There are many questions which need to be answered. The public and their representatives in this Assembly are entitled to those answers. But some of the issues are complex and require careful analysis. Leaping to conclusions will not help us move forward. This is why the Executive has agreed that there should be a thorough review of this incident. We will need to leave space for the review to conduct its analysis and NIW to put in place the measures to ensure our most basic service is preserved.