

**DEPARTMENT FOR REGIONAL DEVELOPMENT**

**Statement by Conor Murphy MP, MLA Minister for  
Regional Development**

**Reviews into Freeze/Thaw Incident**

**Tuesday 8 March 2011**

Go raibh maith agat, a LeasCheann Comhairle. I welcome this opportunity to update the Assembly on the conclusions of the review into the major interruption to water supplies over the Christmas and New Year period.

## **THANK REVIEW TEAMS**

The publication of the composite report last week gives us a comprehensive account of the events during the emergency. I wish to thank the Utility Regulator and the two reviewers appointed by OFMDFM – Heather Moorhead and Phil Holder - for their hard work. Both strands of the Review were completed within a very challenging timescale.

## **CONTENT OF REPORTS**

The reports contain a number of detailed conclusions. NIW and stakeholders will need to absorb these and respond to them in a vigorous and positive way. The interim chief executive of NIW has already accepted the reports' findings. A great deal of work will be involved in taking the necessary actions forward and it would not be sensible for me to try to deal in detail with the 60 odd recommendations today.

But I do think the publication of the report gives us an opportunity to reflect on and acknowledge some realities.

## **THE EMERGENCY**

Turning to the emergency itself, the Regulator says that the winter weather was an exceptional once in a 100 year event. The record breaking period of sub-zero temperatures over two weeks was followed by an equally dramatic thaw on Sunday 26 December.

To quote the report, “- - -temperatures jumped up by 20°C in a few hours right across Northern Ireland. As a result, up to 40,000 bursts on customers’ pipes which had occurred during the cold weather all started to leak, more or less at the same time. Consequently on Monday 27 leakage was at a level not previously experienced and over the following days parts of NIW’s water network drained down and thousands of customers lost their water supplies. As reservoir capacity dwindled, some areas went without any supply and in other areas, NIW instituted rota cuts to maintain supplies to hospitals and other essential facilities; a situation unknown in Northern Ireland in a decade. It took NIW just over a week to refill its system and restore water supplies to all its customers.”<sup>1</sup>

## **RESPONSE OF OPERATIONAL STAFF**

The Regulator recognises that NIW’s “Front line operational teams worked effectively in very challenging weather conditions.” I want to reiterate my thanks to all of those in NIW and to the many other organisations who helped deal with the emergency situation. I am grateful for the co-operation that was so willingly offered and given.

## **FAILURE OF NIW RESPONSE**

Nonetheless, despite the efforts of NIW staff and contractors, the overall response fell far short of customer expectations. As the report says, “The consequences of the incident were exacerbated by the fact that the emergency response led by NIW was wholly inadequate. There was ineffective communication with customers and no comprehensive arrangements for alternative supplies of water. The communications failure meant that in the days immediately following the thaw, many customers were losing their water without any warning or explanation.”<sup>2</sup>

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<sup>1</sup> Para 1.3 of external reviewer’s report.

<sup>2</sup> Para 1.4 External Reviewer’s Report

As was said at the time, exceptional conditions require an exceptional response. The emergency resulted in a significant failure to deliver the most basic of services to people and NIW has to learn lessons from this especially in relation to communication with customers during such incidents.

The Regulator warns that such extreme conditions "*with a changing climate could recur in the near future.*" NIW needs to meet the challenge of dealing with similar weather conditions in the future. Ensuring the continuance of supplies and services for customers is the priority.

As I have said, the Regulator has clearly completed a thorough investigation and produced its conclusions which are detailed in the report. This gives a clear way forward on how NIW can improve its emergency response. I will work with NIW and stakeholders to ensure that the appropriate actions are taken forward.

#### **PRIVATE PIPE LEAKAGE**

As the report says, to mitigate future emergencies, we need to acknowledge that, "*This would require community wide action.*"<sup>3</sup> The Regulator's analysis indicates that "*at least 80% of the increased demand resulted from usage or bursts on consumers' properties. Commercial properties were closed during the holiday period and bursts went unnoticed and ran for longer. Survey evidence estimates that there were bursts on more than 40,000 consumers' properties (domestic and non-domestic).*" So action to inform people how they can support the public supply is needed and the review includes recommendations in this area.

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<sup>3</sup> Para 5.1 External Review

## **INVESTMENT**

Turning to the infrastructure, the Regulator concludes that *"NI Water's Mains performed as well as could be expected under the harsh conditions by comparison with other mains in the rest of the UK."*

This confirms that the investment we have made – nearly one billion pounds over the last four years - is helping to improve the service and reverse lack of investment in earlier decades. Obviously, we still have some way to go. Leakage is not yet at economic levels let alone sustainable levels and there are many areas where the infrastructure needs to be renewed.

Despite the reduction in funding available to the Executive I have managed to increase investment in water significantly from within my own Department's budget to partly meet any shortfalls. At over £660 million I have delivered funding for a substantial programme. It will allow me to provide NIW with the water mains investment levels recommended by the Regulator in its Final Determination.

## **MINISTER & DEPARTMENT**

In relation to my own role and that of my Department the Report has concluded that I, *"acted in a manner consistent with the governance requirements"*<sup>4</sup>. It says I was fully engaged for the entire period in seeking to deal with the situation and performed all of my roles and responsibilities effectively. It adds that, *"Departmental officials also provided timely support and assistance in the crisis."*<sup>5</sup>

I am content that the report recognises the reality of what I said at the time, that this was an operational matter and that responsibility lay with NIW. This may not suit some commentators but it is the reality. I accept that calls for me to be held personally responsible are part and parcel of

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<sup>4</sup> Para 5.4 External Review

<sup>5</sup> Para 5.5 External Review

politics. But it is time to move on from deliberate misunderstanding and convenient ignorance to deal with the reality of the relationship we have with NIW.

## **GOVERNANCE**

The external Reviewers identify the unique hybrid governance arrangements which currently exist. The reality we need to face is that these arrangements which I inherited from Direct Rule ministers are at odds with what the Executive has chosen to do. I have said we need to examine the relationship and clarify the situation while we do so. Others have opposed this – unfortunately including the DRD Committee – but we will need to deal with this in the future.

## **INTEGRITY OF REPORT**

Of course, those who don't want to accept these conclusions will attack the process. They will say the report was biased or a whitewash. We have already seen this line, we saw it being peddled by some almost before the review began and we saw it during the review.

Stories about facebook friends and candidate lists were exaggerated to suggest potential conflicts of interest even when those involved were not aware of the links. Allegations of conflicts over potential NIW Board appointments and the Regulator's existing role in NIW governance were raised by others when, logically, I should have been the one concerned about these.

I was prepared to set aside any reservations and support the review. It is time that others accepted the reality that this was a review properly and professionally conducted. There are huge challenges ahead for our water and sewerage services and everyone needs to support NIW in meeting them.