



Northern Ireland
Assembly

**COMMITTEE FOR
REGIONAL DEVELOPMENT**

**OFFICIAL REPORT
(Hansard)**

Ministerial Briefing on the Water Crisis

19 January 2011

NORTHERN IRELAND ASSEMBLY

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REGIONAL DEVELOPMENT**

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Members present for all or part of the proceedings:

Mr Fred Cobain (Chairperson)
Miss Michelle McIlveen (Deputy Chairperson)
Mr Billy Armstrong
Mr Cathal Boylan
Mr Allan Bresland
Mr Billy Leonard
Ms Anna Lo
Mr Ian McCrea
Mr Conall McDevitt
Mr George Robinson

Witnesses:

Mr Conor Murphy)	The Minister for Regional Development
Mr Gary Fair)	
Dr Malcolm McKibbin)	Department for Regional Development
Mr John Mills)	

The Chairperson (Mr Cobain):

I welcome the Minister for Regional Development, Conor Murphy, and Malcolm McKibbin, John Mills and Gary Fair from the Department for Regional Development (DRD).

The Minister for Regional Development (Mr Murphy):

Thank you very much for the invite to attend the Committee. As we are all aware, the Committee has already had a briefing from NIW on the handling of the emergency over the Christmas and new year period. You have already had an opportunity to hear my own statement on that in the House on Monday, and most Committee members asked a question about that. However, I am aware that some of the issues persist. With your indulgence, Chairperson, I will make a brief statement on some of the issues to refresh the Committee's understanding of events. After that, I will be very happy to take any questions that Committee members might have.

It might be helpful to set out the legal framework for my role. The Water and Sewerage Services Order 2006 is the governing legislation and makes NIW responsible for the delivery of water and sewerage services. On water supply, article 65(1) states:

“It shall be the duty of every water undertaker to develop and maintain an efficient and economical system of water supply”.

It also states that it is the duty of every water undertaker to ensure that all such arrangements have been made for providing supplies of water to premises.

NIW was appointed as the undertaker in 2007. As members know, that predated the return of devolution. My role as a Minister carries responsibility for the policy and legislative framework and, as shareholder for appointing the NIW board, I have to ensure that NIW delivers water and sewerage services.

As I said in my statement of 17 January, NIW owns the reservoirs, the treatment works, the chemicals to treat the water, the pumping stations and the pipes to supply the water to customers. It employs the engineers, the support staff and the call centre operators, and it has arrangements with contract staff that are all necessary to deliver water. The Department does not have those resources and is not in charge of them.

NIW's responsibility includes taking actions, making plans and having in place measures to preserve and maintain services. To make sure that there was no lack of clarity on that point, I issued a general direction to NIW in August 2010, which dealt with the preservation of services and civil emergencies. The direction states:

“The relevant undertaker shall make, keep under review and revise such plans and take such measures as it considers necessary to ensure the provision of essential water supply or sewerage services in a civil emergency”.

It went on to state that plans should be based on the following:

“in the event of an unavoidable failure of piped supply, such minimum supply will be provided by alternative means”

and

“that priority will be given to the domestic needs of the sick, the elderly, the disabled, hospitals, schools, and other vulnerable sectors of the population”

and

“that regard is had for the needs of non-domestic users”.

The direction also states that plans are required to make provision for training, back-up equipment, materials, communication, support, and command and control arrangements.

I must apologise if this is repetitious, Chairman, because the Committee previously received a briefing on the draft direction, and a copy of it was laid before the Assembly, but I have been accused of taking no action on these matters, and, obviously, that is simply not the case.

I turn to specific events in which I was involved. On Monday 27 December 2010, I received information and advice on the emerging situation from NIW and my departmental officials. I was immediately in contact with the chief executive and other senior officials. On the evening of 28 December, I talked with Minister Keith Brown, my equivalent in Scotland, to discuss the provision of assistance by way of bottled water supplies from Scottish Water, and those supplies were received by NIW on Wednesday 29 December.

On the afternoon of Tuesday 28 December, my Department's permanent secretary contacted the head of the Civil Service, expressing his concern at the evolving situation and raising the question of the need to convene a meeting of the Civil Contingencies Group. That decision was taken early on 29 December, and the group's tactical recovery subgroup met daily throughout the emergency from 30 December on. Finally, on 30 December, I issued a direction to NIW to preserve critical and minimal supplies. I had the direction withdrawn on 12 January 2011.

That covers the emergency itself, and I now turn to some other issues. On 6 January, the Executive agreed my proposal for a review by the independent Utility Regulator on the basis of terms of reference that were suggested by the regulator. The terms of reference set out that the purpose of the investigation was to establish the causes of loss of water supply in the North during the adverse weather conditions that were experienced in late December 2010 and early January 2011 and to examine the performance of Northern Ireland Water in planning for and reacting to the event.

As you know, the Executive also agreed a second strand to the review to be carried out by Heather Moorhead, the 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 me as Minister for Regional Development and my Department in relation to the incident. The composite report, which will include the work of both the Utility Regulator and the two appointees, will be submitted to the Executive by the end of February, and, after consideration, the report will be published.

On investment, officials briefed the Committee last week on the draft Budget proposals, and members will have been advised that money that is available for investment is not what we would have wished for but is still substantial at over £665 million. Members will also note the efforts that I have made to put forward proposals that continue to invest in water and sewerage infrastructure, and I look forward to the Committee's response to the Budget proposals.

On governance issues, the Executive agreed on 13 January to my introducing a Bill on short-term legislation. My Department will now work to draft that. I briefed the Committee on 10 November on the policy and the plan to seek agreement for accelerated passage in February.

Before concluding, one issue that has been misleadingly represented in the media is that concerning compensation. First, there is no statutory compensation for a loss of water supplies. In normal circumstances, NIW has a duty to supply water, and unreasonable failure to do so can be actionable if people can prove that they sustained loss or damage.

Secondly, the direction that I issued to preserve critical and minimal supplies allowed NIW to take the emergency action necessary to ensure that places such as hospitals were protected. It set aside the normal position of NIW's liability, but I accept that it was necessary to do that so that NIW could concentrate on dealing with the emergency. The fact that the direction may have made it harder for people to take NIW to court may be an unfortunate consequence, but I seriously question the judgement of anyone who thinks that critical and minimal supplies should have been sacrificed in those emergency circumstances, and I am content that I acted for the greater good in deciding that the risk to critical supplies was more important than preserving normal liability.

Thirdly, the issue has been deliberately confused with the issue of help for households that suffered from flooding where the Executive previously made hardship payments, and we can pursue that. Under the current arrangements, the question of claims for loss of supply is a matter for NIW and the courts.

That is a brief statement of introduction. I appreciate that members will want to ask questions, Chairman, but you will also appreciate that a review is now in place to look into the incident and some of the issues that arose from it. That said, I am quite happy to address any questions that

the Committee has.

The Chairperson:

Thank you very much, Minister. I will try to get some of the events in chronological order so that we can make some sense of them. The Northern Ireland Authority for Utility Regulation (NIAUR) sent a report to Northern Ireland Water in December about the consequences of the exceptionally cold period of weather in the winter of 2009-2010, and, according to the Utility Regulator, that resulted in:

“widespread operational problems including a significant increase in the number of burst mains. The severe weather also adversely affected NI Water’s ability to respond and resolve these problems.”

Therefore, Northern Ireland Water had prior warning through the regulator’s report, which I assume that you have seen.

The Minister for Regional Development:

The regulator’s report was between his office and Northern Ireland Water, but I have had reports on it.

The report that you referred to was the result of a three-year review of Northern Ireland Water and was submitted in November 2009. Although the report referred to cold weather incidence, it was not specifically about that issue. I want to make sure that people understand that. That report was published after a three-year review of the entire operation and performance of Northern Ireland Water.

In the report, the regulator made the point that progress had been made but that more needed to be achieved to ensure that consumers receive value for money. He also said that NIW had achieved real progress in the first three years of operation and that the company had largely met enhanced efficiency targets.

The report referred to the cold spell in the first part of last year and the regulator had compiled a specific report on performance during that spell. You are referring to a composite report after a three-year review of Northern Ireland Water's performance. The regulator had, in response to the cold weather earlier in the year, made a specific report and sent a letter to NIW in April, to which it responded in June. Therefore, you are talking about a reference to what the regulator said to NIW about areas in which he felt measures could be improved. NIW responded with assurances that it had put in place improvements and said that it would, as all agencies do, constantly keep its emergency plans under review, learn from any incidents that it dealt with and tweak its plans accordingly.

That was the nature of the exchange between the regulator and the agency. It was not a warning from him in December to say that there was cold weather coming and that he was seriously concerned about measures that he had raised with NIW previously.

The Chairperson:

No. I understand that the report was published after a review that took place over a three-year period. The point that I am trying to make is that what the regulator said would have rung a bell for most people who dealt with Northern Ireland Water.

The weather in 2009-2010 affected Northern Ireland Water's ability to resolve some of the problems. Come 2010-11, it had weather reports saying that the imminent cold weather spell would be more severe than the cold spell in 2009-2010. I assume that that would have had alarm bells ringing in Northern Ireland Water to ensure that the emergency committee was set up.

Northern Ireland Water was talking about the issue and was devising plans to deal with it, because the weather was clearly going to be more severe than that experienced in the winter of 2009-2010. You know and I know what happened: the head of customer services sent a memo telling people that Northern Ireland Water was in charge and that they could go on their

Christmas holidays, because there was nothing to worry about.

The Minister for Regional Development:

I heard the evidence that was given to you by the staff from NIW.

The regulator obviously looked at the response in the earlier part of the year, which did not have the same effect as the response over this Christmas period. Therefore, the earlier response was deemed to have been largely effective but with some areas that were ineffective and in need of improvement.

It is my understanding that the regulator wrote to NIW in April 2010. NIW responded in June to say that it had taken cognisance of that incident and outlined where it could improve things. NIW came into December giving assurances, as you heard from the NIW staff, that it had plans in place. In the early part of December, NIW moved to a category 1 response, because there was a freeze for about a week. On the back of that, NIW was still giving assurances that its plans were in place and that it had a plan that had been tested in the early part of the year, had been tweaked and improved, had survived the freeze in the early part of December and was ready for action. Of course, we all know that that proved not to be the case, but those were the assurances that were being given by the professional people in NIW.

The Chairperson:

In your statement to the House, you said that you rang individuals in Northern Ireland Water, such as Laurence MacKenzie, during the emergency. Were those people in work?

The Minister for Regional Development:

I think that the first person whom I was in touch with was Liam Mulholland. That was on Monday 27 December — I am speaking from recollection rather than from a record of phone

calls that were made. Liam Mulholland gave me Laurence MacKenzie's home number, and I spoke to him at home originally. When I went to speak to Laurence MacKenzie again that evening, I was told that he had gone to NIW headquarters. That was on the Monday.

The Chairperson:

The other issue is the communications stuff. You will remember that Northern Ireland Water came to the Committee about the contract for Steria, which was for customer care and call centre delivery.

The Minister for Regional Development:

Steria.

The Chairperson:

Sorry, Steria. Northern Ireland Water assured the Committee that that contract could be dissolved and that it was in a position to deliver the service itself. That proved not to be the case.

The Minister for Regional Development:

Yes, and I have been quite up front about that. I had concerns on Monday 27 December, and that is why I was in touch with NIW. I spoke to the deputy First Minister that night, and he also had those concerns. We went out on the ground on Tuesday, and, by Tuesday afternoon, I had a clear view that whatever plans NIW had assured us were in place were falling down, certainly on the communication side. That is why we arranged to go to NIW headquarters on the Wednesday morning to make direct representation to it.

The Chairperson:

Did the Department give approval for the Steria contract to be dissolved, or did Northern Ireland

Water do that without consulting the Department?

The Minister for Regional Development:

I am not sure —

Mr Gary Fair (Department for Regional Development):

It required the approval of the Department for Regional Development and the Department of Finance and Personnel (DFP).

The Chairperson:

Therefore, the Department for Regional Development approved the cancellation of the Steria contract.

The Minister for Regional Development:

Yes. As I said, in my direction to NIW, the Department asked it to ensure that it had plans in place, including for communication, to deal with any issues.

The Chairperson:

Had it not?

The Minister for Regional Development:

That was the direction that was given to it, and that was the assurance that was sought.

The Chairperson:

Finally, an issue that I have raised on a number of occasions is the role of the stakeholder unit in

your Department that deals directly with Northern Ireland Water on behalf of the taxpayer. Were any of those issues flagged up by the stakeholder unit to you personally or to the Department?

The Minister for Regional Development:

The Department meets the stakeholder unit in a quarterly meeting. The risk register is an ongoing feature of that agenda and discussion, and it was not flagged up. The risk register showed the risk to be amber or yellow, so it was not flagged up any stage that there was an issue with emergency plans. The Department also meets at the audit committee, and a question was raised for a similar assurance in December. A similar assurance to that which you heard from the NIW officials was given generally to the organisation in December.

The Chairperson:

Was the stakeholder unit perfectly content with the arrangements that Northern Ireland Water had in place?

The Minister for Regional Development:

The risk register is on that agenda for every stakeholder meeting. There was never an indication showing that there was a red flag against it or that there were any issues. The change of the Steria contract left NIW with a communications shortfall that needed to be filled. None of those indications arose, and, as I said, where assurances were sought and even where direction was given, assurances were received that things were in place to deal with whatever might come.

The Chairperson:

The Department was perfectly happy that the Steria contract be dissolved. It was happy that Northern Ireland Water assured you, and you took on board Northern Ireland Water's assurances that it could dissolve the contract because it was perfectly capable of providing all the customer care and call centre facilities. You were happy with that.

The Minister for Regional Development:

NIW gave us those assurances.

Mr McDevitt:

Good morning, Minister and gentlemen. Minister, I appreciate the clarification on the issue of consumer rights as they stand today, and, as you know, article 93 of the Water and Sewerage Services (Northern Ireland) Order 2006 provides the possibility, as you acknowledge, for domestic customers who are affected by loss of supply to seek redress through the courts. I also welcome your acknowledgement that no formal compensation scheme is available, so there is no other means of redress — it is the only route that people can pursue. I take it from what you have said this morning that the effect, whether intended or unintended, of issuing the general direction on 30 December is that consumers have lost their right to be able to pursue Northern Ireland Water through the courts under article 93. Is that correct?

The Minister for Regional Development:

They have not necessarily lost the right, but the issuing of the direction has made it more difficult. Obviously, there were losses of water supplies over Christmas up to 30 December, when the direction was issued. Again, I make the point that we were faced with the consequences of balancing the ability of consumers to pursue NIW through the courts against those of maintaining critical supply, particularly to hospital services. Over a number of days, there was at least a threat to the hospitals. Lagan Valley Hospital lost supply for a period, and, at one stage, there was a concern about supply to the Royal Victoria Hospital and a threat to the supply for some critical areas in Belfast.

In my view, for the period 30 December 2010 to 12 January 2011, when the direction was rescinded, even though it may make life more difficult for people to pursue NIW through the courts for compensation, the responsible decision to take was to protect critical supplies.

Mr McDevitt:

I do not think that anyone disputes the need to balance those duties, but it seems a heavy price to ask the consumer to pay. It seems to me to be almost a false balancing-out of rights that, to protect critical supplies, the consumer has to lose rights. Is that something that you may want to address in future?

The Minister for Regional Development:

First, I do not think that it is a false balance. No balance is there between the rights of somebody receiving critical care in a hospital and those of a consumer to sue for loss of water supply to their home or commercial property. The rotation of supplies is common practice everywhere else. Until the weekend, it was certainly going on in Dublin. People's water supplies were being rotated on and off, and it is common practice in Britain, where such a direction can be issued. Rotation is a common means of preserving supplies at critical times and in emergencies when reservoir levels are dropping critically low.

I am not sure whether Mr McDevitt's argument is that the interests of consumers during an emergency should outweigh those who might critically benefit from a supply of water. That argument has no validity, nor is it valid to revisit such an argument.

Mr McDevitt:

No, no.

The Minister for Regional Development:

As I said, rotation of supply is a common practice that has not been engaged in here in many years, and it is one that may still currently be operating in the South.

Mr McDevitt:

I am trying to understand whether it is your view that those are competing rights or that consumers should have the right to seek redress if they had their supply interrupted through no fault of their own. That is a stand-alone right, irrespective of rotation or anything else that needs to take place. It strikes me that consumers were entitled to that right, whether through compensation or legal means.

The Minister for Regional Development:

The question is one of how to frame the responsibility of NIW to supply water. If NIW has a responsibility to supply water, but, in the event of a critical or emergency issue and in order to preserve those supplies, it has to cut off people purposely on rotation, should it be liable for a decision taken for the greater common good? As I said, I fully understand consumer rights. However, if it is a balancing exercise between preserving critical supply and allowing NIW deliberately to stop the supply of water to people, that — in my view and that of most people — overrides the valid concern of people who lose supply and their consumer rights in that regard.

It is a question of how we frame NIW's responsibility. If NIW were responsible for supplying people in every circumstance, a rotation policy would not be allowed. Therefore, if I had denied the direction that NIW sought when levels dropped critically low, it would have continued to supply those able to get supply. That might have led to others in critical need of supply losing it to protect that consumer right. There is no validity, to be honest —

Mr McDevitt:

Do you not think that it is —

The Minister for Regional Development:

— in trying to argue that the consumer right outweighs critical supply.

Mr McDevitt:

Minister, do you not think that it is just a huge gap that NIW does not have a basic compensation scheme for people?

The Minister for Regional Development:

It may well be a gap. That is the basis under which NIW was set up. However, the compensation scheme that was set up in Britain does not come into play in extreme weather situations, so there is a get-out clause, if you like, in other compensation schemes.

Mr McDevitt:

Northern Ireland Electricity (NIE), for example, has an automatic entitlement.

The Minister for Regional Development:

Northern Ireland Electricity is a private company that operates the way in which it was set up to operate. However, as I said, your pursuit of this issue has been to do with the rights of consumers to sue NIW to get compensation or some other recompense for loss of supply. My primary concern, as the Minister responsible for the supply to people, is to ensure that critical supplies are maintained. I happen to think that that is in the greater public interest. Although I fully understand the rights of consumers, maintenance of critical supply is in the greater public interest than the right of somebody to pursue NIW through the courts.

Mr McDevitt:

May I ask you about the 23 December memo from Sara Venning to the board? She told us in evidence last week that the shareholder unit was copied into that memo. Have you seen that? Was it ever presented to you, as Minister?

The Minister for Regional Development:

No. Ordinarily, shareholder minutes are presented to me, and the normal course of events is that, if there are issues in between the shareholder minutes that cause concern, they will be flagged up for my attention. This was a merely a repeat of an assurance that had been already sought and given by NIW, so there would be no reason to flag it up to me to give it any particular attention.

Dr Malcolm McKibbin (Department for Regional Development):

The other reason that the Minister would not have seen that is because we do not believe that the Department was copied into the minute. We do not have a copy of that minute.

Mr McDevitt:

Therefore, Mr McKibbin, Ms Venning gave evidence last week that the Department was copied in to the minute that she wrote to the board on 23 December in which she said that everything was OK, and you are saying that you do not have a copy of it.

Dr McKibbin:

We certainly cannot find a copy of it, and, after Ms Venning raised that issue, we asked specifically. We get our assurances through other ways. That was a note from Ms Venning to the Northern Ireland Water board.

Mr McDevitt:

That is incredible.

The Minister for Regional Development:

Do you say that it is incredible because it contradicts her evidence or because we did not get a note?

Mr McDevitt:

First, it is incredible because it contradicts her evidence. It is not a loaded “incredible”.

The Minister for Regional Development:

I am asking only whether you think that it is incredible that an internal memo should have been sent to the Department.

Mr McDevitt:

No, I would find that pretty credible, or I would hope that that might be the case.

I was not going to go down this road, but I will now that you have raised it. From memory, in her evidence, she talked about the fact that the shareholder unit had been in touch with her and that, in response to a question from Mr Boylan, she had given assurances to the shareholder unit during the week running up to Christmas, prior to 23 December. Is that so?

The Minister for Regional Development:

NIW went into a category 1 position in early December, and that ended, I think, on 13 December. On 15 December, at an audit committee meeting, the Department asked whether NIW was satisfied that it was prepared for the remainder of the winter, and the assurance was given then. That may be to what she was referring.

Mr McDevitt:

I will perhaps come back to that later —

The Minister for Regional Development:

She may consider that it was the shareholder unit to which she gave that assurance.

Mr Boylan:

I asked whether anyone from the DRD stakeholder unit contacted NIW in the week running up to that, and she did not give me an assurance that someone had contacted her.

Mr Leonard:

On a further point of clarification, I followed that up, and, if my memory serves me correctly, she said that she would have to check that. It is not as definite as has been said.

Mr Boylan:

She certainly did not answer the question.

Mr McDevitt:

I will put the question to the Department, then. Minister, was anyone from the Department in touch with Northern Ireland Water in the week before Christmas to seek specific assurances about preparedness for a possible thaw incident?

The Minister for Regional Development:

As I said, NIW went into a category 1 incident in early December, and it came out of it in on 13 December. There was a meeting, at which the Department was represented, of the audit committee on 15 December. Assurances were sought for the remainder of the winter, and they were given at that meeting.

Mr McDevitt:

I appreciate that, and I thank you for your answer, but I am asking a specific question about the week before Christmas. It is relevant, because that is when the weather forecasts were clearly indicating a severe thaw. In the week before Christmas, did anyone from the Department contact

Northern Ireland Water specifically in order to assure the Department that Northern Ireland Water was sufficiently prepared for the potential eventualities?

The Minister for Regional Development:

Are you talking about 17 December to 25 December? Assurances were received on 15 December, two days prior to the beginning of the week before Christmas.

Mr McDevitt:

It is quite important, Minister, and I am not being pedantic. Around 20, 21 and 22 December, the weather forecasts began to indicate a pronounced and significant thaw immediately after Christmas on St Stephen's Day, or Boxing Day — to cover all the potential names for 26 December. The critical question is, at that point, when it was becoming general knowledge that there would be a severe thaw, did the Department seek assurances from Northern Ireland Water that it was still happy with its level of preparedness?

The Minister for Regional Development:

I suppose we would have to test what the weather reports were saying at any specific time. In the first freeze in December, my understanding of the weather reports was that we would go into a period of milder weather, followed by a further deep freeze. Therefore, the predictions of a deep freeze and a thaw came earlier in December. In the middle of that period, 15 December, two days prior to the beginning of the week before Christmas, the Department sought and received assurances from NIW. As you heard from NIW's evidence to the Committee, it was assuring all the people in its organisation that it was quite ready and prepared for whatever the weather might throw at it.

Mr McDevitt:

Just for the record, as far as you are aware, nobody from the Department was in touch with Northern Ireland Water in the week before Christmas to seek assurances?

The Minister for Regional Development:

I do not know whether you think that it would be a reasonable expectation for the Department to phone every day to seek the same assurances that it had received on 15 December.

Dr McKibbin:

We do not just seek assurances at any point in time. We knew that the freeze was occurring. As far as gaining assurances is concerned, NI Water does, as the Minister said, report to DRD at emergency planning meetings throughout the year and at governance meetings. At those meetings, reports were consistently saying that appropriate contingency plans were in place.

The regulator had also followed up with NIW after last year's freeze and got a number of assurances from NIW that it would be improving its standby-generator arrangements; that fuel and other consumable stock levels would be OK; that our alternative water supply arrangements would be improved; that water storage levels would be more closely monitored; that communication with other agencies would be improved; that the call centre handling arrangements would be ramped up; and that customer communications would be looked at.

Furthermore, the risk register is brought to the quarterly shareholder meetings and the audit committee meetings. We looked at the specific risks that were highlighted to the board and to us. There was an amber risk rating for contingency plans going to a yellow rating, which is a very low level, at the end of the year for assurance.

As I said, on 15 December, we got specific assurances at the risk assurance consideration that business continuity plans were in place and were ready for the expected thaw. Quite clearly, everybody knew that there was going to be a thaw at some stage. That probably ties in with the views that were expressed to you by Ms Venning. She wrote to the board, saying that she believed NIW that had appropriate plans in place to deal with a freeze-thaw event.

Mr McDevitt:

However, you did not get that letter.

Dr McKibbin:

No, but I am giving you an example of what the belief in the organisation was. That was further reinforced by the chief executive's note to staff that he believed that NIW was ready for the freeze-thaw event. Therefore, we were getting the same messages consistently. If there is a change, it will be brought to us by exception — only if NIW thinks that there is an event that cannot be handled.

Mr McDevitt:

I will move on, but it is worth noting that Northern Ireland Water said last week that contingency planning was not on the agendas of either the meeting on 15 December or the board meeting in December. Therefore, clearly, any preparedness was informal, because it was not a formal item on the agenda.

The Minister for Regional Development:

I want to correct that, because this is a matter of record. The risk register is on the agenda at every quarterly meeting.

Mr McDevitt:

I understand that, Minister, but crisis planning —

The Minister for Regional Development:

Contingency planning is part of the risk register.

Mr McDevitt:

I asked a specific question.

The Chairperson:

I will read out the exchange between Mr Boylan and Ms Venning from the Hansard report of the Committee meeting on 6 January. Mr Boylan asked:

“As regards DRD’s responsibility, did it seek any assurances before the holiday period that NIW would be able to deal with a crisis if one arose? Did shareholders or anybody from DRD seek any assurance or talk to anybody?”

Ms Venning replied:

“They would have been copied in to my note, so they would have been covered in the note that I issued.”

Mr Boylan continued:

“That was just in the response. You sent the response around those people to say that you were capable of dealing with every and any eventuality.”

To which Ms Venning responded:

“It was to make people aware of the preparation that was in hand.”

Mr Boylan then said:

“But they had not contacted you, it was just included in the e-mail that you copied to them.”

Ms Venning replied:

“I issued a note.”

Therefore, she said that she issued a note and that DRD received a copy of it.

Dr McKibbin:

And I am saying to you that we do not have a record of that note.

Mr McDevitt:

Minister, if it transpired that there was serious concern about the Department's oversight of Northern Ireland Water — from the information that has come into the public domain overnight, it appears that there is a report in circulation that identifies serious concern about the Department's oversight of Northern Ireland water — would you be worried?

The Minister for Regional Development:

Perhaps the Chairperson can clarify whether we intend to deal with the media reports on that report.

Mr McDevitt:

It is a general question. Let me put it to you this way: are you happy with the level of oversight of Northern Ireland Water in your Department?

The Minister for Regional Development:

I am on record for at least two years, almost to the point of boring myself, as expressing my dissatisfaction with the relationship between NIW and the Department and about how I feel that that relationship needs to be much closer, in terms of accountability arrangements. Accountability arrangements cover everything, so, when it comes to what we are dealing with today, although the professionals in NIW, who were qualified and well paid to make and to implement emergency plans, had been consistently assured that things, which had largely worked in the earlier part of the year, had been improved on and that we were ready for what the winter might throw at us, I would have been seriously concerned had somebody flagged up serious concerns that that was not the case. That obviously would have been a matter of concern for me.

Mr McDevitt:

Are you happy that the shareholder unit has the necessary skills and capacity to do its job?

The Minister for Regional Development:

The shareholder unit's relationship with NIW was designed under direct rule. I am not satisfied that the relationship between the department and NIW is satisfactory. I have been flagging that up. There is a range of contradictions in NIW's being a company that, under company legislation, is answerable to its own board but also to the Department, because the Executive are the majority stakeholder in NIW. Therefore, I have been flagging up a range of considerations and concerns about NIW. I have brought forward propositions. We have tightened governance arrangements. I have Executive permission to come forward with short-term legislative proposals. All that, taken together, identifies a dissatisfaction with the arrangements between the Department and NIW.

Mr McDevitt:

Are you still happy with the process around the independent review team, about the independence of its report, and about the findings that you hope will emerge from that?

The Chairperson:

We must watch that we do not stray into other Committee's reports. We are talking about DRD.

Mr McDevitt:

Sorry, Chairperson. I will not get into —

The Chairperson:

We are talking about DRD.

The Minister for Regional Development:

I have not seen the report in question, so I cannot comment.

Mr McDevitt:

Perhaps I will just wrap it up, unless the Minister is happy to address that question.

The Chairperson:

Whether he is happy or not is not the issue. The issue is that it is another Committee's report that has not been published.

Mr Boylan:

He looks happy enough.

The Chairperson:

Had the report been published, it would be fair enough, but you are talking about a draft report that has not been published. We need to be careful not to stray into areas that we should not.

Mr McDevitt:

May I put one last question?

The Chairperson:

Any question around the subject of the Department for Regional Development.

Mr McDevitt:

On the substantial issue, Chairman. To return to the preparedness stuff, Minister. Do you think that it is generally the case that an organisation such as Northern Ireland Water would not have crisis planning as a standing item on its senior executive team's meeting agenda or its board agenda in the year after a major freeze-thaw incident, and only two weeks after an escalation into

a category 1 incident, as you described it earlier? Do you regard that as best practice?

The Minister for Regional Development:

Earlier in the year, not only did NIW have the risk register on its board meetings' agenda, which includes the emergency planning element, but it had responded to the Utility Regulator's suggestions on the handling of the earlier freeze in the first part of 2010. Therefore, I do not think that it is correct to suggest that emergency planning is not a feature of NIW's board meetings. I do not attend NIW board meetings, but I understand that the risk register is on the agenda at all board meetings, and emergency planning is a part of that item on the agenda.

Mr McDevitt:

I will leave it at that, but that is not what NIW officials told us when they came before the Committee. They said that emergency planning was not discussed as a formal item on the agenda.

Mr Fair:

The corporate risk register is included in every board meeting's papers, so that —

The Minister for Regional Development:

I think that your question was whether emergency planning was a specific item on the agenda.

Mr McDevitt:

Absolutely, yes.

The Minister for Regional Development:

Emergency planning comes in under the risk register, which is a specific item on the agenda. Therefore, it is a hair-splitting point.

Mr McDevitt:

It is interesting because, you, Minister, have one view as to what that item on the agenda means. I respect your view, and I think that it is fine. However, the organisation's board has a different view. When we asked NIW officials whether crisis planning was a standing item on board or senior executive agendas, they said no. We asked whether it was standard item on the December board meeting, and they said no. We asked whether it was an item on the senior executive team meeting for December, and they, again, said no.

The Minister for Regional Development:

Technically, they are correct. It is not a standing item, but it comes under the broader issue of the risk register.

Mr McDevitt:

That is your view.

The Minister for Regional Development:

That is the reality.

Mr McDevitt:

It is clearly not their view.

The Minister for Regional Development:

It is important to be clear for the record. I always find myself having to go back to correct hanging questions. You asked them whether they had emergency planning as a specific agenda item, and they said no. Technically, that is correct. At all board meetings, the risk register, under which emergency planning is contained, is an item on the agenda. Therefore, it is not incorrect to say that emergency planning is not an agenda item. Every single item that this Committee discusses is not itemised on the agenda. Instead, some issues will come under broad headings.

It is not incorrect to say that it was not on their agenda. We do not have a different interpretation of what is on the agenda to them. You asked them a specific question, which was whether a specific item was on the agenda, and, of course, the answer to that is no. However, it is covered in the emergency risk register, which is an agenda item at all the board meetings.

The Chairperson:

Have you never thought about asking for the resignation of the chairman of the board?

The Minister for Regional Development:

No, I do not know why —

The Chairperson:

Do you think that he bears any responsibility, or do you think that all the responsibility lies with the chief executive?

The Minister for Regional Development:

An investigation into what happened is being carried out by both the regulator and the independent people who were appointed. I did not ask for the resignation of the chief executive.

The Chairperson:

No, I am saying that the chief executive —

The Minister for Regional Development:

What I am saying to you is that I have not asked for anyone's resignation. The chief executive offered his resignation, and that was accepted by the board and recommended to me. I have not asked for anyone's resignation. What I have asked, publicly and on the record, is for all involved to assess their own performance. I look forward to the publication of the report to see where it places responsibility for the failure to respond adequately to this incident.

The Chairperson:

I asked that question because, obviously, the chairman of the board is your appointee. If the chief executive has resigned, or whatever arrangements have been made, surely the chairman of the board, who had all the same information as the chief executive and was informed to the same level, also bears responsibility.

The Minister for Regional Development:

That is your view, and you can express it to the review team if it engages with you. The reality is that I have not asked for anyone to resign. The board is made up of executive directors and non-executive directors. There are professional people in NIW who are tasked with the putting-together, testing and full implementation of plans when a situation arises. The chief executive obviously felt that he had a responsibility in that regard. I am quite happy for the review to run its course and see what recommendations the review team comes up with.

The Chairperson:

However, the chairman has not indicated to you that he thinks that he has a responsibility, too?

The Minister for Regional Development:

No, he has not indicated to me that he thinks that there was any deficiency in his role.

Mr Armstrong:

I will be as brief as possible. You all knew that the freeze was coming. You put in place call centres and extra staff, which was good. However, did you put in place extra engineers to conserve water in the event of bursts? You knew that the infrastructure was weak. Did you put extra engineers on the ground so that water could be turned off if pipes burst? That would have enabled water to be conserved rather than wasted as pipes were fixed.

The Minister for Regional Development:

I am not professionally able to judge how many engineering staff should be on the ground — that is not my role. I have received assurances from NIW that, in its professional judgement, it had enough engineering staff on the ground to detect the problems. I think that NIW assured the Committee of that in its evidence. NIW dealt with more than 800 bursts, and it felt that it had enough staff on the ground.

As NIW accepts, the clear fall-down concerned communication with customers. I dealt with people who lost supply, with elected representatives from all parties who contacted NIW through me and with NIW itself. It was clear that the major frustration and failing related to communication with customers. NIW have assured us and the Committee that it felt that it had enough engineering staff on the ground. Given the experience and expertise available to the regulator, in particular, the review team will be able to look into that and make an assessment.

(The Deputy Chairperson [Miss McIlveen] in the Chair)

Mr Armstrong:

If you had had more engineers on the ground, you would not have needed so many call centres. Not as many people would have been frustrated and have felt the need to ring if the work had been done on the ground.

The Minister for Regional Development:

That could well be a valid view. This is an operational matter, but, from anecdotal evidence, part of the difficulty was that this happened in a holiday period when a lot of premises were closed. Some of the more substantive bursts occurred in commercial or industrial premises to which keyholders had not returned to check.

We lost supply in two cases that, collectively, probably amounted to 10,000 to 20,000 houses. I cannot make a judgment on whether had more engineering staff been on the ground, they would have discovered, anticipated and fixed bursts before people rang in. The reality is that people who phoned in should have been able to get through, and NIW should have been able to impart information that satisfied customer concerns. That clearly was not the case.

Mr Armstrong:

You are saying that premises in which there were leaks were locked up, and, as a result, the water could not be turned off. However, the water could have been turned off at the end of some other section. If a lot of water had been running away, it could have been turned off at the mains supply.

The Minister for Regional Development:

What you say is anecdotal. I am not in possession of the full report — this is an operational issue for NIW. However, what you are saying is not that engineers could not get in to turn off supply

but that they were not aware that there were burst on premises that were closed and not checked, so it was not obvious that substantial amounts of water were leaking.

One case involved a hospital, where people were about who perhaps should have detected the leak earlier but did not report it for some time. For how long exactly, I do not know.

Mr Armstrong:

The feeling on the ground is that Northern Ireland Water did not do enough to conserve water. When there were bursts, more supplies should have been turned off so that pipes could be fixed sooner. Moreover, more engineers should have been on the ground. There were too many call centres that, had there been more engineers, would not have been needed.

The Minister for Regional Development:

You can debate that issue with your partner beside you. Whether more people or fewer people should have been on rotation or how that would have affected their ability to pursue NIW for loss of supply are operational issues that I do not doubt will be looked into by the investigation.

Mr Armstrong:

I understand that most of the bursts occurred at air vents. That may need to be looked into. It may not have been a burst pipe problem but one caused by an air vent bursting and water escaping.

The Minister for Regional Development:

Accurate weather prediction is one problem in all this, as you know. The further that we look ahead with weather predictions, should Building Control, when constructing properties, change its approach to the insulation of water supplies, how deep they are buried in the ground, and so

on? Some people predict that the winter that we are experiencing could be part of a six-year or seven-year cycle. The Executive may want to take some evidence on that in the near future. Bear in mind that the health warning is that weather is hard to predict with any accuracy a month hence, never mind in five years' or six years' time. However, there are people who suggest that this is a period of weather that we will get into. If that is the case, it will have implications not just for NIW and other emergency response people but for how we construct properties.

Mr Armstrong:

It is all very good to give us all advice, but it is important to make sure that there are people on the ground doing the work.

The Minister for Regional Development:

Absolutely.

Mr Armstrong:

Thank you.

Mr Bresland:

To follow on from Mr Armstrong's questions, I raised the issue of plumbing inspectors during the Minister's statement to the House on Monday. That is where water inspectors came in. Water inspectors were done away with in 2009-2010. That part of the work is no longer being done. That is where Northern Ireland Water is slipping up, which is partly what Mr Armstrong said. Inspections are not being done now.

The Minister for Regional Development:

NIW has told us and, I am sure, you that the majority of bursts were on private properties. I do not think that it is its function to inspect private properties to see whether their piping and lagging

are adequate. That function is more for Building Control.

Mr Bresland:

When water inspectors were there, their job was to look at a house that had applied for a tapped supply and see that it was properly equipped. That is not done now.

The Deputy Chairperson:

Have you anything further to ask at this stage?

Mr Bresland:

Yes. There seems to be confusion about the way in which Northern Ireland Water sought help from Great Britain. Pamela Taylor from Water UK said that she believed that there had been a misunderstanding by Northern Ireland Water about the scope of aid available. Can you cast any more light on that issue?

The Minister for Regional Development:

The mutual aid arrangements are operational matters. They are direct operational relationships between NIW as a water company and other water companies in Britain. Indeed, some water was also supplied from the South. I do not know whether mutual aid applies into the South, where there are not similar types of water companies.

The bottled water, about which I spoke to the Scottish Minister and about which the deputy First Minister spoke directly to the Scottish First Minister was received under mutual aid arrangements. There was some question in the mind of NIW about what level of mutual aid it was signed up to. At that stage, it was receiving assistance from other agencies on call centre handling, and that was the one area in which it felt that it needed assistance. It did not think that it was entitled to that assistance under the mutual aid arrangements. Some people in Britain

thought that it was, and I am not sure whether that question has ever been resolved between them. That was NIW's understanding.

As I said, mutual aid arrangements are direct operational arrangements between water companies that come to each other's assistance for the provision of materials, supplies, chemicals and emergency water supplies. The water that arrived on Wednesday 29 December after speaking to the Scottish Executive on the evening of Tuesday 28 December came under the mutual aid arrangements.

Mr Bresland:

You mentioned the call centres. The Water Service used to be hooked up with a call centre in Yorkshire. Dummy runs were done, and they worked out quite well. Some people cannot understand what happened, because, when the dummy runs were done, the call centre worked quite well. Did Northern Ireland Water ever use Hays call centre in Yorkshire?

The Minister for Regional Development:

When the Executive first met over Christmas, I was asked, first, to engage with NIW to get the emergency ended, which happened, and, secondly, to look at the short-term lessons that should be learned. Under that, there should be a clear definition of what the mutual aid scheme between NIW and the other water companies in Britain means. I do not know whether the water that was supplied from County Louth was supplied under the mutual aid scheme, because it was supplied by Louth County Council rather than by a water company. It was supplied to Newry, and I think that that was a local arrangement. Throughout the course of the emergency, we made it clear that, as I said to NIW on Tuesday 28 December, whatever assistance was needed from whatever source available should be taken.

Mr Armstrong:

When I called into call centres, they did not have up-to-date information. I knew more from the

engineers on the ground than the call centres were able to supply me with. The call centres were half an hour or an hour behind times. The engineers were able to correspond with elected representatives and work more quickly than the call centres. The call centres were weak on that, and you should have had more engineers on the ground, which would have had the thing cleared up quicker.

The Minister for Regional Development:

As well as having a ministerial role, I was also acting as an elected representative trying to communicate with people in NIW. Since, I have talked to many elected representatives, including councillors, and what you say concurs with the view that the people who were working on the ground were incredibly helpful, particularly to elected representatives, in communicating information. You are quite right that the ability to contact call centres and to receive accurate and timely information from them was not what it should have been. That is one of the areas of immediate improvement that NIW has assured us it is putting in place.

Mr I McCrea:

You will be aware from what I have said in the House that my major criticism has been over the lack of communication with the general public. What assurances can you give as Minister to members of the Committee, to Members of the House and, more importantly, to people across the whole of the country that the important lessons that need to be learned have been learnt? I appreciate that a review is going on, and, until the outcome of that review is known, it is difficult to say what needs to be changed in the long term. Can you give an assurance that, no matter what, lessons will be learned?

You referred to accurate weather predictions, although I am still waiting on the Indian summer that we were supposed to have in the past three years. If it is predicted that we are due to have similar weather for the next few years, can you assure us that people will never have to endure and suffer a debacle similar to that of the past few weeks?

There is nothing that any of us can do about the weather, but there is plenty that we can do about our response to the consequences of the weather, and Northern Ireland Water's performance as part of that.

The Minister for Regional Development:

I agree with you. One newspaper summed it up well when it said that unprecedented weather demands an unprecedented response. The communication element of that response was deficient.

I was tasked with asking NIW for an immediate set of assurances about short-term resilience measures. I communicated those to the Executive at our meeting before last. We got immediate assurances that processes were in place to update the website; that additional roles and responsibilities for communications with key stakeholders would be put in place during major incidents; that a protocol would be implemented for approving timely press statements; that there would be an emergency plan in place, including options for activating a UK-wide mutual aid protocol via Water UK; and that arrangements would be formalised for additional call centre support through to the end of March 2011.

The company has increased its stock of bottled water from 90,000 litres to 200,000 litres. Stock of other necessary supplies will be purchased formally or arranged for. Arrangements for the supply of vulnerable customers will also be reviewed. Those are all steps that will be taken to ensure that the rest of this winter does not see a repeat performance.

In addition to those steps, there is the investigation, and I assume that recommendations will come from that. We have asked NIW to have its resilience plans tested by someone from outside the company — externally validated, if you like — who has the expertise to look at the plans and assess them against the tests that they have received. We have ensured that validation of NIW's plans will be with us by the end of this month.

Dr McKibbin:

By 27 January.

The Minister for Regional Development:

To provide the public reassurance that you quite rightly ask for, we have asked for that additional step to be taken. Obviously, from the investigation itself, I do not doubt that lessons will be thrown up to further strengthen those resilience plans.

Mr I McCrea:

The information that was provided to customers was nothing more than what anybody could read off a website that did not give that much information in the first place. As Mr Armstrong said, the engineers were able to give more information. As far as I am aware, engineers are tasked with jobs via the digital communicators that they have—

The Minister for Regional Development:

They have Toughbooks.

Mr I McCrea:

They send the information back when they have been out and checked what work was done. Was that work not done or did the information fail to get through to the system? The information that the engineers had, as Billy said, was a lot more up to date than the information that people were getting when they rang NIW. Surely if the communication is done through the Toughbook system, the information should be logged in the system as soon as it has been typed. That is what I understand from the engineers whom I know who have used Toughbooks. Was that not done? How did that information fail to get through for people to be told it? Surely that is an easy way of getting information through.

The Minister for Regional Development:

There are two issues there. The first issue is something that I have been hearing about anecdotally. It is something that we will look at in the investigation, and it is something that we raised with NIW. The information that is sent to the engineers on the ground has descriptions and geographical locations that are technical and only of use to them. For example, people talked about Castlereagh 1 being on and Castlereagh 2 being off. Nobody outside of NIW knows where those locations are, other than that they are in Castlereagh somewhere. I assume that some of the information exchanged between Toughbooks and the central system was of a technical nature. There is recognition from NIW that it needs to translate that information into customer-friendly information so that people have a more accurate feed.

The website was also not able to cope with amount of traffic that it received. Immediate assistance was offered by NI Direct, which has websites that have a much greater capacity to cope with emergency situations. Lessons have already been learnt, and new measures have been put in place.

One of the key things was that NIW's information was almost only for people in that organisation. It says something about its customer focus that the information that NIW had available to distribute really made sense only to people in the organisation and not to the customers.

Dr McKibbin:

I was talking to Trevor Haslett just yesterday, and he acknowledged that there was a problem with two-way information and how timely and understandable it was. Representatives from NIW are visiting water companies in Britain to see the type of information that they put out and to see how they impress the imperative on their staff on the ground to complete their work and feed it back to the centre as quickly as possible so that things are kept up to date.

As far as your communication point is concerned, the Minister is correct that NIW's understanding of the mutual aid arrangements was that they did not cover call centre staff. However, as a result of what it learned from that exercise, NIW has engaged with Water UK and will be building that additional ramp-up capacity into future plans. Hopefully, that will help on that front.

Mr I McCrea:

I know that the situation occurred at a time of year when people are on leave, but was any direction given to bring employees of Northern Ireland Water, particularly the engineers, back from leave? What arrangements were made for that to happen? I am sure that you do not have the figures with you, but is it possible to find out the percentage of engineers employed by Northern Ireland Water who were off on leave and returned to work either voluntarily or after a request to do so?

The Minister for Regional Development:

You may have to ask NIW for those figures. I am not sure how many people it asked to come back. NIW did say that, between engineering staff and contract staff, it had 500 people out on the ground. Whether that is the full complement available to NIW is, again, an operational issue. We are happy to put that question to NIW, or, if the Committee Clerk wants to draft some questions for the Committee to ask NIW on that, we are more than happy to try to get that information for you.

The Deputy Chairperson:

On the point about mobile work management and the link between contact centres, was money applied for and given to Northern Ireland Water to proceed with that project within the first three years of the strategic business plan?

The Minister for Regional Development:

Which project?

The Deputy Chairperson:

The project to get information moving between contact centres and mobile work units.

Mr John Mills (Department for Regional Development):

Part of what was called the Crystal Alliance contract was for mobile work management, so there would have been money for that.

The Deputy Chairperson:

Has that money been spent and the project progressed?

Mr Mills:

I believe that the project has been implemented.

The Deputy Chairperson:

Your statements have been very defensive in nature, as we would expect. However, if I were a senior member of staff in Northern Ireland Water, I would probably be quite concerned about my future, because I would have to question my own role in what happened. During the evidence session that we had with Northern Ireland Water, I asked whether any costings had been made for the freeze-thaw. Are you aware of what that debacle cost?

The Minister for Regional Development:

I am not sure whether there are accurate figures. Malcolm McKibbin has been in touch with Trevor Haslett on some of those issues. I would say that the cost is still being identified, because there are probably still issues being dealt with. There may be some ballpark figures available.

Dr McKibbin:

We have not received any ballpark figures yet. NIW is still identifying the additional costs from the freeze-thaw incident, as is Roads Service. We expect those figures to feed through in the February monitoring round.

The Deputy Chairperson:

The February monitoring round?

Dr McKibbin:

The December monitoring round is over.

The Deputy Chairperson:

The figure given to the Committee, which was repeated in the House, was that 70% of the defects were on private property. However, at no stage have we been able to determine what percentage of the leakage that represented. Do you have that information yet?

The Minister for Regional Development:

Not as yet. That question was asked on Monday, and, in response, I said that, although 70% of the actual bursts were on private properties, the percentage of the total water lost through those bursts was not available.

Dr McKibbin:

The Committee raised that question directly with NI Water last week. NI Water said that it would come back to the Committee as soon as it had those figures available.

The Deputy Chairperson:

I just wanted to revisit that in case you had received the information in the meantime.

In your statement to the House, Minister, you said the Utility Regulator's review would be more independent than any investigation that was dependent on your Department for appointment and resource. Is that what happened with the last independent investigation? Is that an indication that you have little faith in your Department's advice?

The Minister for Regional Development:

No, with the regulator's review, there was a perceived conflict. We accepted that there were certain areas into which the regulator could not go, and, as they wanted a broader view, the Executive added two people to supplement the investigation team.

Comments that the regulator is not the appropriate person to do the investigation have been specifically down to the perception of a conflict of interest. The regulator, who is independent, has, as you will know from interviewing him, been far from shy about making forthright views about NI Water and its issues. My point was that people could perceive the investigation to be less independent if the Department nominated three people to undertake the investigation. If there was a public confidence issue and people perceived the regulator to be less than independent, they would have even more of an issue with the independence of the investigation if we appointed the team.

The Deputy Chairperson:

I made the comment because, after reading the statement again, that could be inferred from it.

The Minister for Regional Development:

I am tempted to drift back to the question by Mr McDevitt that the Chairperson ruled to be out of order, but, on this specific issue, that was my point. Again, it is all down to a perceived conflict of interest, not down to people saying that there is an actual conflict of interest in the review. We all know how small a place this is; there are perceived conflicts all over the place, but whether they are real is another matter.

My view was that had we said that there was a perception of conflict with the regulator, who would have been conducting an investigation and publishing a report on the incident anyway, which I am sure the Committee would have been keen to see. Appointing people to conduct an investigation ourselves would not have removed the perception of a conflict of interest.

Mr Leonard:

Gentlemen, you are welcome, and thanks for the information thus far. Minister, I want to concentrate on two areas to get a sense of your dealings and those of others with NI Water. When representatives of NI Water came before the Committee, I put it to them that some people on the ground has been ahead of the organisation and had recognised the severity of the situation before NI Water began to engage with others about it.

I am trying to grasp a sense of what happened, not just the fact that you contacted someone on the 27 and 28 December by telephone. I am try to get a sense of the conversations from your experience and what had been fed through to you, the deputy First Minister, other politicians and members of the public. Did you get a sense of the severity of the situation? On 27, 28 and 29 December, were you asking yourself whether NI Water had really grasped the nettle? I just

wonder how the conversations went.

The Minister for Regional Development:

Along with the deputy First Minister and others, I increasingly got a sense that the response was not working. I received a substantial number of phone calls on Monday 27 December from elected representatives and others to report bursts and an inability to get through to NIW promptly and get information from it. I contacted senior people in NIW, including the chief executive, who said that they were getting on top of things. However, I was still concerned, because the volume of calls to me was not decreasing. As I said, I spoke to the deputy First Minister that night, and he shared my concern that the issue was escalating and not being dealt with.

The thaw, obviously, was very substantial. The temperature changed by more than than 20°C in the space of a couple of days: from -18°C at its worst to 10°C or 11°C, which is a substantial swing. The concerns were growing. On Tuesday 28 December, after a conversation with the deputy First Minister, we decided to go out on the ground and visit places where there were particular problems, because we were concerned.

At that stage, the problems were focused in places such as Lurgan and Coalisland rather than Belfast. However, our experience from speaking to engineers on the ground in Coalisland, as well as elected representatives and individuals who approached us, reinforced the view that the problem was growing and NIW was not getting on top of it. We were communicating that to NIW regularly, to such an extent that I spoke to Malcolm, and we decided then to go to Westland House.

Mr Leonard:

Sorry to interrupt, but will you describe that interchange, because it is important. You mentioned speaking to the engineers, who were the staff out on the ground. You then went to the

headquarters of NIW and spoke to senior staff. Can you describe those exchanges?

The Minister for Regional Development:

I am reluctant to identify the engineers whom I spoke to, because they have to continue working for the company. We were getting a clear sense that water supplies were very much down and that there was a great uncertainty about where replacement water supplies would come from. There are a lot of very small reservoirs scattered across the place, and, although the engineers are very knowledgeable about the areas that they were covering, they were expressing some uncertainty about the ability to restore supplies any time soon. The volume of calls was increasing, and the number of people who were ringing us and having difficulty getting through was also increasing.

Therefore, having experienced being out on the ground, and having spoken to Malcolm, who had spoken to Bruce Robinson, the head of the Civil Service, to relay his concerns to him, we all decided to go to Westland House on the Wednesday morning and engage directly with NIW face to face. I went along with the deputy First Minister, Malcolm and Bruce Robinson.

The chairman of NIW was at that meeting, and although the NIW representatives recognised that they were in the middle of what was becoming a crisis, or certainly a distinct emergency situation, I am not that any of us were reassured that NIW had the necessary capacity to deal with the problem on its own. We had been encouraging NIW, and part of my conversation with senior people in NIW on the Tuesday evening was to encourage them to accept the water that was on offer from Scottish Water. Regardless of whether NIW felt that it needed help, I felt that the offer should have been accepted. I told the Scottish Minister for Transport and Infrastructure that I would be recommending acceptance of the offer and that, in all likelihood, that would happen.

There was a growing sense of crisis and a corresponding decrease in confidence in NIW's

ability to deal with it. The deputy First Minister specifically asked me to relay to the chief executive that he would ensure that all other agencies across the Civil Service would be available to NIW to assist it to get through the situation.

Mr Leonard:

What are your views on where things should go? Did you feel inhibited going to NIW because of the legal demarcation? Would a different type of organisation — one in the public service — have meant that you and Mr McKibbin would have been able to talk more directly to NIW?

The Minister for Regional Development:

I am conscious that NIW, owing to EU directives, cannot go back to being an agency, so it cannot go back to being in the same position as Roads Service. We have regular top-team meetings in the Department. They take place monthly at least; sometimes they are weekly. The head of Roads Service attends those meeting, which means that we can have a direct conversation, interrogation and discussion. We can also go out on the ground to see what Roads Service is doing as part of its winter preparation. The same relationship does not exist with NIW, because of the way that it is set up.

I did not have concern about approaching NIW, because I felt that we were representing the full weight of the Executive, given that the deputy First Minister and the head of the Civil Service were there. We made a very strong statement that the Executive, as corporate body, were very concerned that that agency was failing in its response and wanted it to up its game and seek resources elsewhere.

I had no concerns that I would be turned away at the door, but I had no operational function there. All I could do was encourage, chastise and make it very clear to people that, regardless of the view from their operational headquarters, we had been on the ground, we had been dealing

with people as elected representatives and we had a very clear view that things were not working properly and that a very substantial response was needed, not only from NIW, by deploying all its resources, but from any other agency or organisation that could provide assistance.

Mr Leonard:

The second area that I want to investigate is the question of the balancing act. That was already touched on, but I want to get a flavour of how you weigh the issues up when you are giving that directive, as well as the whole idea of rotation, essential services and the balancing act that you said that you had to go through.

Can we go further and go through the thought process and what you are basing those thoughts on? You mentioned curtailing supply to the domestic householder as opposed to a hospital. What sort of facts were landing on your desks about what the risks were in which hospitals, and so on, so that we can see what the balancing exercise was based on?

The Minister for Regional Development:

John could give you the legal position. NIW has a statutory responsibility to supply customers with water, and if it does not do that for some reason, that is its fault and people are entitled to pursue it legally to try to secure some recompense for loss of supply. In a situation in which NIW, as part of preserving critical supplies, asks permission to stop people's supply, it is not as a consequence of the failure of some part of its system — it is purposely stopping the supply. As I said, rotation is a normal practice everywhere else across these islands, apart from here.

When NIW asked for a direction to allow it to rotate supplies — I think that it was on the evening of Tuesday 28 December — that direction was drafted, because it was a legal matter, as there is a legal responsibility. The information was then sent to me for signing on the Thursday morning, and it made clear to me that one of the consequences was that we were allowing NIW to stop supply to people purposely. That took it outside of its statutory remit to supply to people so

that may interfere with people's ability to pursue NIW legally for loss of supply.

Set against that, by that stage, we already had a situation in which Lagan Valley Hospital had lost supply for a time and had been supplied by —

Mr Leonard:

I am sorry for cutting across you. Can you remember roughly for how much time Lagan Valley Hospital lost supply?

The Minister for Regional Development:

I was dealing with situation and incident reports that I was receiving from NIW and with media reports. I am not sure which day, because it was a very hectic period, but I understand that Lagan Valley Hospital lost supply of water for at least six or seven hours, from my recollection. I think that there was an emergency supply made available through tankers. A concern was raised about the supply to the Royal Victoria Hospital, and that was widely reported in the media. There was a general level of concern right around Belfast, because there is a nexus of reservoirs around Belfast, and there was increasing concern from the engineering side of NIW that the reservoirs were dropping to unacceptably low levels, which would have implications for supplies to Belfast as a whole, where at least three of our major hospitals are located.

Following what had already happened, with one hospital losing water, a scare around the continuation of water supply to another — it did not actually lose supply — and the implications of Belfast substantially losing supply, those were the issues that were weighed against the ability of someone to pursue NIW legally for loss of supply.

Mr Leonard:

On a specific aspect of that, was that reflected in the contingency group or were you getting

anything from the health authorities? Were they saying to NIW that they were concerned about Lagan Valley Hospital and the three major hospitals? What way did that conversation go?

The Minister for Regional Development:

We held an impromptu meeting on the Wednesday afternoon, attended by me, the deputy First Minister, the Minister for Social Development, the Minister of Health, Social Services and Public Safety and the Minister of the Environment. That was before the Executive as a whole met on the Thursday. Although the Department of Health, Social Services and Public Safety (DHSSPS) was saying that it had not reached any crisis over water supply, it acknowledged that Lagan Valley Hospital had lost supply, and it was obviously concerned about that being the case with other hospitals, health centres, nursing homes and the like. DHSSPS was concerned about retaining that water supply to what it considers to be critical services.

In my view, DHSSPS had not raised any specific concerns that the Mater Hospital was going to run out of water or that it was dangerously low. Obviously, it was taking its information from the low levels in the reservoirs that were supplying Belfast. There was a general level of concern from DHSSPS that it did not want to get into a situation in which what it regards to be critical areas would lose the supply of water.

Dr McKibbin:

NIW had clearly stated to our staff that, without rotation, it would not be able to continue to supply the critical care facilities. NIW was giving assurances and was in liaison with the hospitals to continue to provide supply.

Mr Leonard:

Do you think that NIW made that statement early enough?

Dr McKibbin:

It identified that, when it saw reservoir levels come down to a level that gave cause for concern

Mr Leonard:

I am sorry to interrupt, but is there a recognised level at which it would make that statement to you or is it a case of ongoing judgement calls? Is it too simplistic to say that there is a specific level at which it hits that button?

Dr McKibbin:

It is an operational issue. Yes, it would be too simplistic to say that, because it would depend on how much is being lost from the system and how rapidly the decline is being seen. NIW has got to forecast when it may go below certain levels. This was a unique experience for NIW, as it had never sought to rotate supply before.

The Deputy Chairperson:

I am mindful of the fact that we have been on the subject for an hour and a half now, and it could be getting a little repetitive. I am not saying that directly to you, Anna, but you are next.

Ms Lo:

I will not be repetitive; I will ask something different.

Thank you for coming, Minister. We have been given many assurances by the Department and Northern Ireland Water that lessons have been learnt and that action plans have been put in place. However, 70% of the water loss, or 70% of the problem, was as a result of pipes for private households. South Belfast was one of the worst-hit areas. It has a lot of student homes

and office premises, and people left there over the Christmas period and did not have insulation or leave the heating on. Do you think that Northern Ireland Water needs to have a campaign to educate and inform people how to deal with water pipes during severe weather?

How can we gain entry to homes? When I got into my office on 29 December, the house next door, which is occupied by students, had water gushing out of the downpipe. It took two days for someone to go in and fix it. Is there a way in which, for example, a hotline could be telephoned to get someone into the premises urgently?

The Minister for Regional Development:

Perhaps John will deal with the legal realities of forced entry. As to the general principle of giving advice to homeowners in particular and to key holders generally, in fairness, Northern Ireland Water has not been praised much, apart from its engineers on the ground, but I heard representatives on the radio during the freeze advising people that we were heading for a thaw. They advised people in advance of the thaw that they would need to be very conscious of the likelihood of a substantial amount of burst pipes. I then heard someone speaking on the same radio show saying that no advice had been given.

However, at a recent Executive meeting, I suggested that we need some accurate forecasts about this sort of winter, because we would be criticised if we invested substantially in being ready for very severe winters only to end up having three or four mild winters in a row, thereby losing that investment, particularly given the budgetary constraints. However, if this is the type of winter that we are to face, I suggested that all Departments, because everybody has a function here, should be issuing a range of advice to householders and keyholders. Some of that advice should be practical — about preparation and the prevention of problems — but there should also be information on how to respond in any situation, who to contact and what people's legal rights are.

Some people did not think that the advice given to business premises about snow and ice clearing on footpaths was clear. If we are to face this sort of weather in future winters, it would be useful to consider issuing a broad range of advice right across the Executive.

On your other question, it is an operational issue, and I do not know what legal rights NIW has to enter premises from which it detects a leak but otherwise cannot get into.

Mr Mills:

Northern Ireland Water cannot be given powers that the police do not have: there is a question of proportionality. However, Northern Ireland Water can turn off water where it believes that it is being wasted. It can disconnect the property. The problem would be, as people have noted, knowing that that is from where the leak was coming.

Ms Lo:

Neighbours can tell you if it is literally gushing out of the downpipe. We hear about elderly people not having water, and all the rest.

The Minister for Regional Development:

I know that, on some building sites around Belfast, Building Control staff went on to the sites, because they had the authority. Lessons need to be learned across the agencies to see who is the most appropriate person to gain access to properties and premises. Building Control officials did go on to some sites where they found temporary pipes or taps to be burst and water flowing, and they switched those off. They are council officials. Perhaps part of the overall investigation should be to have a look at that particular question of who can rightly gain access to property and take action to prevent leaks.

Ms Lo:

Prevention is so important. People need to know what to do in winter to protect themselves.

The Minister for Regional Development:

One of the disappointing factors in all this — though there were many — was that, despite repeated requests and appeals for people to check premises, very late into the emergency we were finding premises that had not been checked and were still leaking. That was at a time when some critical supplies were becoming endangered, yet there was still not the public response that we wanted in a small number of instances.

Mr Bresland:

If you saw water running out of a house that was locked up, does Northern Ireland Water not have the authority to turn it off at the stopcock on the road at the front of the house?

Mr Mills:

It does have the authority to disconnect somebody for wasting water, and that could be regarded as wasting water. The only problem would be — thinking legally on the hoof — that all the legislation is about making sure that Northern Ireland Water delivers water to people. It is penalised if it deliberately turns people's supplies off. If I were that engineer, I would want to be very careful that I was actually entitled to turn someone's supply off and that there was not some other reason for the running water. It is a power that has to be exercised quite carefully. It is a different situation in an emergency, in which, arguably, one could take more of a risk.

Ms Lo:

It is also about educating people to leave some heating on. Given the expensive price of oil, I know that a lot of students turn off the heating for the two weeks or four weeks for which they are away. That is when pipes are liable to freeze and pipes burst.

Mr Boylan:

I will try not to go over some of the points that have already been raised, but I need to seek some clarification. When I asked Sara Venning whether the Department had been on to NIW, she responded that she had sent an e-mail, but that was at a later date. For clarification, are you talking about 15 December as the date on which the Department had —

The Minister for Regional Development:

That was the audit committee.

Mr Boylan:

Yes, and you had some clear knowledge. Let us put it in some context. The thaw began on 26 December. In some areas, we had snow, and we had continuous frost for a period. I know that Mr McDevitt said that it had peaked. The point was that many plumbers and people out there on the ground whom I have been talking to — we need to come back to the ground on this issue — said that they knew that the thaw was going to happen. Any of the people to whom they were talking in the private sector said that people needed to be very careful, because when the thaw came there would be serious problems. I believe that NIW was not prepared.

I want to make two points; I will not go over the rest of the stuff. Obviously, there was a contingency plan to deal with a certain element of crisis, but it became a major crisis. Whose responsibility is it to ask for help and support, or to go to the Executive or to you? Is it up to the Department to take the initiative, or is it up to NIW to convoke?

The Minister for Regional Development:

The Department does not have the operational expertise to decide that NIW is failing in a certain area. It has no water engineers or people who have the responsibility that officials and paid employees of NIW have. There is nobody there who can second-guess by looking at a function

and say that the Department thinks that additional help is needed there. It is essentially up to NIW to call if it feels that the situation is getting beyond what its response is capable of dealing with. It is up to NIW to ask for additional assistance.

We encouraged NIW to up its game, and the deputy First Minister and the head of the Civil Service said that they would ensure that every other agency and every resource available across the broad spectrum of government would be made available to NIW to try to resolve the emergency in which we found ourselves. That was made very clear to NIW. It was up to the people in NIW with operational experience, expertise and knowledge to decide the areas in which they required assistance. One such area, which was as obvious to us as a major problem as it was to NIW, was communications.

Mr Boylan:

The episode clearly exposed faults in other Departments as well. The Housing Executive also had serious responsibility in all of this, because we are talking about water being lost. Last week, Trevor Haslett talked about the rise in demand for water, but that was not the problem. The problem was the actual loss of water. That should have been the starting point. I want to put that on the record.

I know that a review is being carried out, but are you looking at any new measures to try to instil some public confidence? This is my fourth year as a member of this Committee, and there has been an issue with NIW every year. Are you thinking about any other measures, or is there anything else that you, as the Minister, can introduce?

The Minister for Regional Development:

In the first instance, we asked NIW to provide assurances to us, which it did, and I copied the Executive into that response. We have asked for NIW's updated emergency plan to be validated by an external source — somebody with expertise — and that is due to happen by the end of

January. At a time when there is not a huge degree of public confidence in NIW, at least that is a small measure to try to get that back.

You have been here for the four years, and so have I. I have been before the Committee to talk about issues that affect NIW. Ultimately, public confidence will be restored when we have proper public control over NIW and it is properly publically accountable. I have taken some measures when it comes to NIW's financial responsibilities. We have already engaged some of those. As I said in my statement to the Assembly on 13 September 2010, I outlined five measures in areas in which I wanted NIW to have greater public accountability. Four of those measures have already been undertaken. The fifth measure — the long-term future of NIW as an organisation — involves a bigger discussion that the Executive need to have and will inform an incoming Executive.

The Executive settled on the plan that we want, which is for the service to be answerable to us for delivering water and sewerage services, not the direct rule plan, which has created this anomaly of relationships among NIW, the Department and, through the Department, the Executive. The plan will go some way to restoring public confidence.

Dr McKibbin:

NIW plan to introduce improvements to its short-term resilience and its management plan. The Civil Contingencies Group that met, which had representatives from most Departments on it, is also making a series of recommendations to ensure better co-ordination across the public sector if such an event happens again.

Mr McDevitt:

I just want to ask about one point that we have not covered. Minister, there is currently a recruitment process open for the posts of permanent non-executive directors of Northern Ireland Water. The independent review is in place now and the governance is in the terms of reference of

the independent review. Given the imminence of the Public Accounts Committee's report following its inquiry and the general controversy around non-executive directors in recent months, do you not think that it might be wise not to proceed with the appointment of permanent non-executive directors until the reviews have been completed?

The Minister for Regional Development:

I am reluctant to stray into the area that the Chairman earlier forbade us from straying into. However, that was an exact criticism of the Department at an earlier phase. Without getting into the detail of it, the Department, because other reviews were going on into NIW, did not appoint new directors to the NIW board quickly enough. The appointment of the interim directors is outside the normal procedure after discussion with the Commissioner for Public Appointments. That is not the procedure that that office likes to see happening.

The Commissioner for Public Appointments will undertake to allow or to provide support for that to be done only on the strict understanding that proper appointments will quickly be made through the normal approved process. If we were to deviate from doing that, it would probably raise more problems than you think that it would resolve.

The Commissioner for Public Appointments would have a very clear view on that. She issued her blessing, albeit reluctantly, because she does not like the emergency appointments process. I understand that, but she gave her blessing to that process on the clear understanding that it would very quickly be replaced by the normal appointments process. I would be very reluctant to hold back on recruiting in those circumstances.

Mr McDevitt:

In that scenario, it would be perfectly OK for several of the interim directors to seek to become permanent directors, yet they are part of a board that is currently the subject of investigation.

Surely that creates a malaise and a situation that could discriminate against potential candidates. What steps have you taken to militate against that?

The Minister for Regional Development:

The first appointment will be that of the chairperson, so there will be a phased approach. A chairperson will probably not be in place until around March, so an opportunity will arise if the investigation throws up anything. I have no knowledge of whether the current interim chairperson will put his name forward or whether he has already done so. I think that the closing date for the receipt of applications for the chairperson's position has passed.

Dr McKibbin:

Yes, the date for applications has passed.

The Minister for Regional Development:

The intention is to appoint the chairperson first. Having been duly and properly appointed through the normal processes, the chairperson will be involved in the process to recruit other directors. The appointment of the chairperson will occur beyond the investigation, so if the investigation raises issues around anyone, I am sure that that will be considered as part of the appointment process.

Dr McKibbin:

It is not just a question of the current non-executive directors reapplying; it is an open competition.

Mr McDevitt:

I understand that, but my point is that it is obvious how it could compromise the potential

application from someone who is a current non-executive director, given all that is going on.

The Minister for Regional Development:

I think that it raises the point that the perception of conflict is easier to erase than to deal with.

Mr McDevitt:

As I said, you will find us very open to debate about what the future model is. I look forward to seeing the proposals for the future model some day.

The Minister for Regional Development:

I admire your skill in describing them as unworkable and unaffordable when you have not seen them. I think that you might be better suited to the stage than to the Committee.

Mr McDevitt:

Am I being invited to enter into a debate with the Minister? *[Laughter.]* Minister, we have not seen any substantial proposals, and, when we do, we will all be able to give them proper scrutiny. I look forward to your bringing forward substantial proposals. I am sure that you do, too.

The Minister for Regional Development:

I presume, then, that you will withdraw your remark that they are unworkable and unaffordable, given that you have not seen them?

Mr McDevitt:

I am happy to leave it at that.

The Deputy Chairperson:

Thank you, Minister, and thanks to the officials.

Mr G Robinson:

Deputy Chairperson?

The Minister for Regional Development:

I know that you are pushed for time, but I am OK to stay if there are more questions.

The Deputy Chairperson:

I am sorry, George, but your name was not down to ask a question.

Mr G Robinson:

I will be brief. I did put my hand up.

Mr Boylan:

He indicated that he had a question.

Mr G Robinson:

Am I allowed to proceed?

The Deputy Chairperson:

Yes, go ahead.

Mr G Robinson:

I have been a member of this Committee now for years, like another member, and the way that I see it, Northern Ireland Water has just gone from one debacle to another, year in and year out, culminating in what happened over Christmas. I could use words such as “shambles”, “pitiful”, “disgrace” and “frustration” to describe how I feel. We are talking about public confidence. If I feel like that, how is Joe Public feeling out there at present?

To be fair, I appreciate that we experienced temperatures between 0°C and -20°C, which was unprecedented. We have not seen such temperatures in this country in a long time, but taking that into account, I think that it is absolutely disgraceful what has happened with the company. Minister, I am asking a straight question: do you think that you are the right person to get things right and to move forward to get us out of all these problems? I have one or two more questions to ask, but I will ask you to answer that question first.

The Minister for Regional Development:

Fair enough. I will try to keep my reply short. As you said, you and others have been on the Committee for a long time and have seen the issues as they have arisen and the attempts to deal with them.

What is very clear is that NI Water, as it was set up, was not meant to be subject to the scrutiny of a Committee such as this or the active involvement of a locally elected Minister. It was set up to be a company that was distinct from government, self-financing and regulated by the Utility Regulator. Ultimately, it was to be privatised and taken away, like NIE.

What we have experienced — both the Committee and me — are the contradictions every time an issue arises when trying to get information; trying to put proper procedures in place; trying to get proper responses from boards; or trying to get the normal accountability

arrangements that we would expect from any agency that is under a Department that I run and you scrutinise. That is the continuous conflict.

If the question is whether I am the right person, that is a judgement that the electorate will make in May, if they return me, or if my party returns me to this position. I have been identifying the issues for a substantial period. I have been saying that not only did the Executive need to deal with the issue of funding, which they did in the first instance and then took a further decision, but we needed to deal with the structures, because they were not set up for a devolved Administration or scrutiny by a Statutory Committee of the Assembly. They were not set up to facilitate that, and we constantly clash and come into conflict with the structures that exist in our desire to hold that organisation properly accountable.

Mr G Robinson:

I said that I had a further couple of questions. One of the questions that I would like to ask concerns the former chief executive. He allegedly had a conviction for embezzlement. Was he the right person to be given that top job, considering his background?

The Minister for Regional Development:

I am advised by NIW, which recruited and hired him. I have seen only the media report that there is a reported conviction, so we need to be careful about how we phrase things. If it was the case that the media report was correct, and was an accurate account of the terms under which he was convicted, it would be a spent conviction. He would not have been obliged to inform NIW as it was recruiting him, nor would NIW have been allowed to ask him about that conviction. If that is the case, it would not have arisen through a normal recruitment process.

Mr G Robinson:

Therefore, you are saying that no background check was asked of him or information given by him?

The Minister for Regional Development:

If the reports in the media in Scotland were correct, that issue would not have arisen in his application. The fact that the conviction was spent and not declarable would have meant that, legally, it should not have impeded him in any job — or at least certain types of defined job — that he applied for in future. Legally, it should not have been an impediment if it is the case that he was convicted of that offence.

Mr G Robinson:

The word that I used was “allegedly”.

The Minister for Regional Development:

That is fair enough. I am only keeping myself right; you can look after yourself. *[Laughter.]*

Mr G Robinson:

I have one other question. What steps are being taken to prevent the breakdown in customer communications happening again? Perhaps that has already been touched on, and will be touched on in the reviews, but what is your own perspective?

The Minister for Regional Development:

It has already been touched on, in that NIW has assured us that it will be taking direct assistance on the website from NI Direct. It is looking at the issue of what language it puts on the website and what that means to customers, and it has given us assurances that the call centre facilities can be ramped up in any other situation that arises to sufficient levels to cope with the type of demand that it may experience. There will obviously be a further examination of all that in the review, and if longer-term processes need to be put in place, I am sure that that will be done.

Mr G Robinson:

I want to put on record again my thanks to the people on the ground during that time, because they carried out such sterling work.

The Minister for Regional Development:

That is a consistent message. That is why I have been careful when some people have said that NIW's response was shambolic. I know that people have been angry and frustrated, but, in certain areas, there was a very good response, which was tailored to the people whom NIW staff were trying to serve. In other areas it clearly failed, and in the post-mortem we need to be accurate about where the failures were, because that will allow us to ensure that the proper systems are put in place, rather than have a blanket condemnation of the whole organisation. The response did succeed in certain areas. NIW has been successful in its overall processes in certain areas, such as investment and carrying out work on the ground. However, when it was tested in an emergency, substantial sections were found to fail, and lessons need to be learned from that.

The Deputy Chairperson:

Thank you, and apologies for not involving you earlier, George. John, do you have time to stay for a brief moment?

Mr Mills:

The matter has been covered, but I can speak to it if you wish.

The Deputy Chairperson:

Are members content with that? This is to do with the direction that the Minister issued.

Mr McDevitt:

I feel that the issue has been covered. I do not have any further questions.

The Deputy Chairperson:

Are members content that the issue of the direction has been covered?

Members indicated assent.