

Official Report (Hansard)

Monday 17 January 2011
Volume 60, No 1

Contents

Matters of the Day	
Mrs Michaela McAreavey	1
Assembly Business	
Suspension of Standing Orders	3
Ministerial Statements	
Water Supply: Severe Weather.....	4
Draft Planning Policy Statement 23 (Enabling Development) and Draft Planning Policy Statement 24 (Economic Considerations).....	20
Public Expenditure: December Monitoring 2010-11.....	25
Oral Answers to Questions	
Employment and Learning.....	30
Enterprise, Trade and Investment.....	36
Question for Urgent Oral Answer	
Department of Health, Social Services and Public Safety.....	42
Ministerial Statement	
Public Expenditure: December Monitoring 2010-11 (<i>continued</i>)	46
Executive Committee Business	
Damages (Asbestos-related Conditions) Bill: Second Stage	48
Employment (No. 2) Bill: Consideration Stage.....	67
Executive Committee Business	
Energy Bill: Further Consideration Stage	67
Executive Committee Business	
Waste and Contaminated Land (Amendment) Bill: Further Consideration Stage	67
Executive Committee Business	
Safeguarding Board Bill: Further Consideration Stage.....	68
Committee Business	
Autism Bill: Extension of Committee Stage.....	68
Written Ministerial Statements	
Regional Development	
Review of the Regional Development Strategy: Consultation	WMS 1
Social Development	
Proposals for Reform of Disability Living Allowance	WMS 2
Enterprise, Trade and Investment	
NI Economic Strategy: Consultation on Priorities for Sustainable Growth and Prosperity.....	WMS 3

Suggested amendments or corrections will be considered by the Editor.

They should be sent to:

The Editor of Debates, Room 248, Parliament Buildings, Belfast BT4 3XX.

Tel: 028 9052 1135 · e-mail: simon.burrowes@niassembly.gov.uk

to arrive not later than two weeks after publication of this report.

Assembly Members

Anderson, Ms Martina (Foyle)
Anderson, Sydney (Upper Bann)
Armstrong, Billy (Mid Ulster)
Attwood, Alex (West Belfast)
Bannside, The Lord (North Antrim)
Beggs, Roy (East Antrim)
Bell, Jonathan (Strangford)
Boylan, Cathal (Newry and Armagh)
Bradley, Dominic (Newry and Armagh)
Bradley, Mrs Mary (Foyle)
Bradley, P J (South Down)
Brady, Mickey (Newry and Armagh)
Bresland, Allan (West Tyrone)
Browne, The Lord (East Belfast)
Buchanan, Thomas (West Tyrone)
Burns, Thomas (South Antrim)
Butler, Paul (Lagan Valley)
Callaghan, Pól (Foyle)
Campbell, Gregory (East Londonderry)
Clarke, Trevor (South Antrim)
Clarke, Willie (South Down)
Cobain, Fred (North Belfast)
Coulter, Rev Dr Robert (North Antrim)
Craig, Jonathan (Lagan Valley)
Cree, Leslie (North Down)
Dallat, John (East Londonderry)
Deeny, Dr Kieran (West Tyrone)
Doherty, Pat (West Tyrone)
Easton, Alex (North Down)
Elliott, Tom (Fermanagh and South Tyrone)
Empey, Sir Reg (East Belfast)
Farry, Dr Stephen (North Down)
Ford, David (South Antrim)
Foster, Mrs Arlene (Fermanagh and South Tyrone)
Frew, Paul (North Antrim)
Gallagher, Tommy (Fermanagh and South Tyrone)
Gardiner, Samuel (Upper Bann)
Gibson, Simpson (Strangford)
Gildernew, Ms Michelle (Fermanagh and South Tyrone)
Girvan, Paul (South Antrim)
Givan, Paul (Lagan Valley)
Hamilton, Simon (Strangford)
Hay, William (Speaker)
Hilditch, David (East Antrim)
Humphrey, William (North Belfast)
Irwin, William (Newry and Armagh)
Kelly, Mrs Dolores (Upper Bann)
Kelly, Gerry (North Belfast)
Kennedy, Danny (Newry and Armagh)
Kinahan, Danny (South Antrim)
Leonard, Billy (East Londonderry)
Lo, Ms Anna (South Belfast)
Lunn, Trevor (Lagan Valley)
Lyttle, Chris (East Belfast)
McCallister, John (South Down)
McCann, Fra (West Belfast)
McCann, Ms Jennifer (West Belfast)
McCarthy, Kieran (Strangford)
McCartney, Raymond (Foyle)
McCausland, Nelson (North Belfast)
McClarty, David (East Londonderry)
McCrea, Basil (Lagan Valley)
McCrea, Ian (Mid Ulster)
McDevitt, Conall (South Belfast)
McDonnell, Dr Alasdair (South Belfast)
McElduff, Barry (West Tyrone)
McFarland, Alan (North Down)
McGill, Mrs Claire (West Tyrone)
McGimpsey, Michael (South Belfast)
McGlone, Patsy (Mid Ulster)
McGuinness, Martin (Mid Ulster)
McHugh, Gerry (Fermanagh and South Tyrone)
McIlveen, Miss Michelle (Strangford)
McKay, Daithí (North Antrim)
McLaughlin, Mitchel (South Antrim)
McNarry, David (Strangford)
McQuillan, Adrian (East Londonderry)
Maginness, Alban (North Belfast)
Maskey, Alex (South Belfast)
Maskey, Paul (West Belfast)
Molloy, Francie (Mid Ulster)
Morrow, The Lord (Fermanagh and South Tyrone)
Moutray, Stephen (Upper Bann)
Murphy, Conor (Newry and Armagh)
Neeson, Sean (East Antrim)
Newton, Robin (East Belfast)
Ní Chuilín, Ms Carál (North Belfast)
O'Dowd, John (Upper Bann)
O'Loan, Declan (North Antrim)
O'Neill, Mrs Michelle (Mid Ulster)
Poots, Edwin (Lagan Valley)
Purvis, Ms Dawn (East Belfast)
Ramsey, Pat (Foyle)
Ramsey, Ms Sue (West Belfast)
Ritchie, Ms Margaret (South Down)
Robinson, George (East Londonderry)
Robinson, Ken (East Antrim)
Robinson, Peter (East Belfast)
Ross, Alastair (East Antrim)
Ruane, Ms Caitríona (South Down)
Savage, George (Upper Bann)
Sheehan, Pat (West Belfast)
Spratt, Jimmy (South Belfast)
Storey, Mervyn (North Antrim)
Weir, Peter (North Down)
Wells, Jim (South Down)
Wilson, Brian (North Down)
Wilson, Sammy (East Antrim)

Northern Ireland assembly

Monday 17 January 2011

The Assembly met at 12.00 noon (Mr Speaker in the Chair).

Members observed two minutes' silence.

Matters of the Day

Mrs Michaela McAreevey

Mr Speaker: I have received notification from the Office of the First Minister and deputy First Minister that the First Minister wishes to make a statement on a matter that fulfils the criteria set out in Standing Order 24. I will call the First Minister to speak for up to three minutes on the subject. I will then call a representative from each of the other political parties to speak, as agreed with the Whips. Those Members will also have up to three minutes to speak on the matter. The convention is that there will be no opportunity for interventions, questions or a vote on the matter. I will not take any points of order until the item of business is completed. If that is clear, we will proceed.

The First Minister (Mr P Robinson): In a very short time, in County Tyrone, Michaela McAreevey will be laid to rest. Just seven days ago and half a world away, events were unfolding which have dominated the news in Northern Ireland and far beyond. However, behind the news, there is an enormous human tragedy.

It is not uncommon that the House pauses to mark a death, usually of a public servant or a personage with a public profile. Occasionally, it is for someone who has died or been murdered here in Northern Ireland. In all of the circumstances of Michaela's passing, I believe that it is fitting that we pause to mark her death today.

This is not the time to talk about the circumstances of Michaela's tragic death, but we do want to see justice done, and we support those in Mauritius who are engaged in that task. Any life taken away by murder is a horrific event, all the more so when it is the life of a young person. The loss is even more harrowing and devastating because the victim in this case

was a beautiful young woman who was on her honeymoon.

Michaela was known to a wide circle of family and friends. From the stories that we have heard and from seeing her on television and reading our newspapers over the past week, I believe that we now all feel that we knew her. This is one of the rare tragedies that has captured public attention and united the community in grief. The families of both Michaela and John are well known and respected in the GAA, but the wave of sympathy comes from far beyond the GAA fraternity and extends to our whole community.

Michaela and John had just started married life with dreams of a wonderful future that will not now be realised. We can only imagine the nightmare that John and the entire family circle have faced over the last week. Mr Speaker, as you know, I am a father. I have a beautiful daughter of a similar age to Michaela, and I love her to bits. That gives me a sense of the loss, but only a sense, because the reality is so much more painful than the imagining. Personally, as DUP leader and as First Minister, I want to convey the love, support and condolences of the whole community to the McAreevey and Harte families.

I also wish to put on record my condolences to our Assembly colleagues Edwin Poots, who lost his mother-in-law last week; Trevor Clarke, whose mother passed away at the weekend; and George Savage, whose mother passed away last night. They, too, remain in our thoughts and prayers at this time.

Mr Molloy: Go raibh maith agat, a Cheann Comhairle. It is on a sad occasion that I stand to express sympathy on behalf of Sinn Féin. I would like to extend that sympathy to the McAreevey and Harte families on the death of Michaela, which is a sad reminder of just how

suddenly things can happen. The First Minister has expressed the sympathy of the House. The deputy First Minister and many of my party colleagues are attending the funeral this morning, which is why they cannot be here in the Chamber.

Our hearts go out to the husband, John; the mother and father, Mickey and Marian; and the large Harte and McAreavey family circles on this sad occasion. Families right across the country are thinking and expressing similar views to those expressed in the House. The fathers of daughters are thinking of the tragic circumstances of being at the joyful occasion of a wedding one day and then, in a very short time, bringing the remains home for a funeral. Our heartfelt sympathies go out to the families.

I also go along with the First Minister in expressing sympathy to the Members whose families have been grieving over the weekend and the last couple of weeks. All of this touches each family and each Member of the House. We also think of the many families right across the country who have suffered similar tragedies and have had to deal with similar situations over the last number of months and years.

The families of Michaela — both the Harte and McAreavey families — have dealt with this in a very dignified way. They have also allowed others to join in expressing their sympathies. We share with that household today as the sad event of Michaela's remains being brought to her last resting place takes place.

Mr Kennedy: On behalf of the Ulster Unionist Party and, indeed, the entire House, I want to extend my deepest sympathy to the Harte and McAreavey families. It is very difficult to comprehend the trauma and grief that they are feeling, particularly on the day that they lay their loved one to rest.

That such a young life should end in such circumstances seems very unreal and unfair. This tragedy has indeed touched many people not only across Northern Ireland and Ireland but much wider afield. I pay tribute to the very dignified manner in which the Harte and McAreavey families have conducted themselves in what must be an unimaginably difficult time.

In County Tyrone in particular, there is a great sense of loss for Michaela, who was a very popular young teacher. I am sure that the outpouring of support from across the entire

community has been of great help and comfort to both families. It is worth saying that it is crucial that the media and the public do not intrude in a way that may add to the families' grief.

I know members of the McAreavey family personally, in particular John McAreavey, the local bishop in Newry. I take this opportunity to express to him, to his nephew John in particular and to the entire family circle that the thoughts and prayers of a great many people are with them at this very sad time. May God bless and comfort them on this day and in the difficult days that lie ahead.

I, too, extend my sympathy and that of my party to the Members of the House who have also been bereaved over recent days. I am sure that, as we carry out our business in this place today, Michaela's death will remind us all of what really is truly important in life.

Mr A Maginness: I thank the First Minister for raising this matter today and for his very moving address to the House. On behalf of the SDLP, I express our deepest sympathy to the McAreavey and Harte families on their terrible ordeal and tragedy. Everyone, not just in the House but in the wider community, has been deeply moved by the tragedy. Indeed, it has created a great sense of unity in the community, where a common sadness is shared by Catholics and Protestants, nationalists and unionists. If some good has come out of this evil act, it is that we have come together in solidarity and in a bond of friendship, sympathy and understanding for John McAreavey in particular and for the respective families involved.

John and Michaela's wedding was like a fairy tale wedding. Indeed, their going on honeymoon to Mauritius seemed like a dream, but, unfortunately, the tragic events that took place changed that into a nightmare. All of us in the House sympathise very deeply with the families.

I know that my party leader and deputy leader are at the funeral today. Therefore, on behalf of the SDLP, I express our deepest sympathy to the families and, indeed, to the local communities in Tyrone and in Banbridge, County Down. I believe that, as a result of this tragic event, the community has, in fact, been strengthened, and I hope that that will continue. May she rest in peace.

Mr Ford: On behalf of my party colleagues in this corner of the House, I wish to add to the

sentiments expressed by Members elsewhere. In particular, I thank the First Minister for being the one who introduced the matter of the day and who spoke on behalf of us all. We all wish to express our sympathy not just to the Harte and McAreavey families but to their friends and, indeed, to the wider GAA community, for the loss that they feel. I had a meeting early last week with the GAA, and, from speaking to Danny Murphy and his colleagues, it was clear just how widespread a very personal sense of loss was felt in that section of our community.

12.15 pm

The loss of a child or young person will always be something that is a matter of deep sadness to their immediate family. However, given the circumstances in which this loss has occurred, so absolutely tragically and so far away, it is clear that it has touched not just those who knew Michaela and those who were associated with her through the GAA or the school but, as others have said, every part of the community.

Michaela and her family were well known and widely respected, not just in County Tyrone and County Down but throughout Ireland. Given the way that the matter has been covered, I suspect that we all now feel that we knew her and can all share in the sense of loss, whatever background we come from and whichever geographical area we come from in this community. That is why it is right that we should recognise that this morning. We assure people that our thoughts and prayers will be with not just the Harte family and McAreavey family but all those who have been bereaved in recent days.

Assembly Business

Suspension of Standing Orders

The Minister for Regional Development (Mr Murphy): I beg to move

That Standing Orders 10(2) to 10(4) be suspended for 17 January 2011.

Mr Speaker: Before I put the Question, I remind Members that the motion requires cross-community support.

Question put and agreed to.

Resolved (with cross-community support):

That Standing Orders 10(2) to 10(4) be suspended for 17 January 2011.

Mr Speaker: As the motion has been agreed, today's sitting may go beyond 7.00 pm, if required.

Ministerial Statements

Water Supply: Severe Weather

Mr Speaker: I have received notice from the Minister for Regional Development that he wishes to make a statement to the Assembly.

The Minister for Regional Development

(Mr Murphy): Go raibh maith agat, a Cheann Comhairle. I welcome the opportunity to update the Assembly on the major interruption to water supplies arising from the recent severe weather.

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

Though NIW has returned to business as usual activities, the amount of additional water being put into the distribution system remains higher than normal for the time of year, at around 55 million litres a day more. However, that is significantly less than at the peak of the incident. Leakage detection and repair teams continue to be deployed, and other agencies, such as Royal Mail and council workers, continue to provide assistance in reporting visible leakage. Storage in the majority of service reservoirs has almost returned to normal daily trends, but that is being closely monitored on NIW's telemetry. There are no severe weather warnings in place, and NIW staff remain on a state of high alert.

NIW is also taking forward the implementation of action points and immediate lessons learnt from the incident, with a particular focus on improved customer communications. I have also asked NIW to have its major incident plan reviewed by an external expert, and NIW has arranged to have that review completed by 27 January.

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

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

I turn now to the emergency itself. The incidents that occurred over the Christmas and new year period took place during the coldest month in the North since records began. The record-breaking period of sub-zero temperatures over two weeks was followed by a dramatic thaw from 26 December to 27 December, which saw temperatures rise by as much as 20°C.

Such severe weather conditions, accompanied by the switch from freeze to thaw over such a quick period, were unprecedented in the North and, indeed, in most places. The leakage that that caused in the public network, together with bursts in private pipes, caused levels of drinking water held in service reservoirs to fall rapidly from 27 December and the demand for drinking water to rise sharply. Demand increased by more than 200 million litres a day. NIW's water treatment works were operating at maximum capacity during the emergency, producing 850 million litres a day, compared with the more normal annual average of 620 million litres a day. At the height of the emergency, thousands of households were without supply. To preserve minimal and critical supplies, tens of thousands of households received intermittent supplies as a result of rotation by NIW.

On the communications side of NIW's operations, 26 December saw a six-fold increase in customer calls. As a result, NIW activated its top-level emergency response. Over 27 to 29 December, 10 times that number of calls — 600,000 — were received, and communications systems were overwhelmed. In responding to the crisis, NIW deployed more than 500 staff and contractors on the ground, fixed more than 800 bursts and provided more than a third of a million litres of bottled water. It took on additional call centre help and additional water supplies from outside the North, and it worked with other public bodies through the public sector-wide civil contingencies group.

For my part, I received information and advice on the emerging situation from NIW and from my departmental officials on Monday 27 December. I was immediately in contact with the chief executive and other senior officials. I was on the ground in Lurgan and Coalisland with the

deputy First Minister on 28 December to see for myself the problems that people faced. That evening, I talked with my equivalent in Scotland, Minister Keith Brown, to discuss assistance in the form of bottled water supplies from Scottish Water. Those supplies were received by NIW on Wednesday 29 December.

As the thaw continued through 27 and 28 December, there was a stepped increase in the problems reported, and the impact of the water supply disruption started to become clearer. On the afternoon of Tuesday 28 December, my Department's permanent secretary contacted the head of the Civil Service to express his concern over the evolving situation and to raise the question of the need to convene a meeting of the civil contingences group, which is the body set up to co-ordinate public sector organisations in an emergency.

The head of the Civil Service was abreast of the issue, because he had been briefed on the developing situation by his representative, who had participated in the daily regional teleconferences hosted by Belfast City Council and local government management. Those teleconferences had been taking place daily since before Christmas, with the exception of Christmas Day. The head of the Civil Service reviewed the information available to him, and, first thing on Wednesday 29 December, he made the decision to convene a meeting of the civil contingencies group. The group met on Thursday 30 December, and, from then on, the group or its tactical recovery subgroup met daily throughout the emergency. A large-scale public sector inter-agency effort followed, with co-operation from a wide range of bodies.

Although NIW deserves credit for restoring supplies quickly where it could, it is obvious that there were very significant failings in the delivery of a basic public service. Clearly, that was the case in communication and perhaps also in planning, infrastructure and control. In the statement that accompanied his resignation, the former chief executive of NIW, Laurence MacKenzie, accepted that and recognised that aspects of the way in which NIW handled the situation could have been better. However, the Executive have agreed to review the incident, and that is now the right place to consider it.

That said, however, I have never ducked criticism or avoided answering questions around my role or that of my Department. I have apologised to

the public on behalf of my Department. I said that I was sorry that people felt let down by the service that they received. However, apologies aside, my main focus and that of the Executive have been the restoration of supplies and analysis of what went wrong and of the lessons that can immediately be learned. I will not satisfy the political opportunists whose primary interest in the incident was to see what political advantage it might afford them. Their calls for my resignation are widely recognised for what they are: cynical exploitation of people's misery and hardship.

Of course, it suits some not to understand the governance arrangements that direct rule Ministers created and I inherited in 2007. I understand the political realities behind that feigned ignorance, but the legal reality is that NIW is responsible for the delivery of water and sewerage services. In my role as Minister, I am responsible for the policy and legislative framework for appointing the NIW board to deliver water and sewerage services. That is not my opinion or my interpretation; it is what the legislation governing water and sewerage states. For those interested, article 65(1), together with article 91, of the Water and Sewerage Service (NI) Order 2006 refers to responsibility for water supply.

NIW owns the reservoirs, the treatment works, the chemicals to treat the water, the pumping stations and the pipes to supply water to customers. It employs the engineers, support staff, call centre operators and has the arrangements with contract staff necessary to deliver water. The Department does not have those resources, and it is not in charge of them. NIW's responsibility includes taking actions, making plans and having in place measures to preserve and maintain services. That is a heavy responsibility that must be discharged each and every day.

As a shareholder, I appoint people to the board of NIW to accept that responsibility, and they are remunerated accordingly. However, in case anyone was unclear about where responsibility lay for preserving services and dealing with civil emergencies, I issued a direction to NIW in August 2010 to make, review and revise plans to ensure the provision of essential water supplies in a civil emergency. That included requirements that training, backup equipment and materials, communications support and command and control arrangements be in

place. A copy of the direction was laid before the Assembly, so I reject accusations that I did not take the governance role seriously or that I was unconcerned. Various assurances that work was being taken forward and contingency plans were in place were received through normal departmental channels. The fact is that plans were in place, but those alone were not sufficient to cope with the exceptional circumstances that arose. However, as I said, the Executive have agreed the remit for a review of the emergency, including my role. I am content to await its outcome.

The Executive met on 30 December to discuss the emergency. Following that meeting, I undertook to put forward proposals for a review and to suggest immediate steps that NIW should take. On 6 January, the Executive agreed my proposal for a review by the independent Utility Regulator on the basis of terms of reference that were suggested by the regulator. Those set out that the purpose of the investigation is to establish the causes of the loss of water supply in the North during the adverse weather conditions experienced in late December 2010 and early January 2011 and to examine the performance of NIW in planning for and reacting to the event.

Some comments have been made through the media about the independence of a review that is undertaken by the regulator. I find those hard to understand. The regulator is an established independent body that already has statutory duties and powers to regulate water and sewerage services. It has experience, knowledge and access to a range of required industry skills as well as its own resources. Although the regulator has responsibilities that may overlap with the areas covered by the review, the alternative is to appoint a body or individuals with no background knowledge, experience or powers and that is dependent on my Department for appointment and resources. I believe that that would be less independent.

The Executive also agreed a second strand of the review that will be carried out by Heather Moorhead, who is 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 my role and responsibilities as Minister for Regional Development and those of my Department in relation to the incident. The composite report, including the work of the regulator and the two

appointees, will be submitted to the Executive by the end of February, and, after consideration, the report will be published. Importantly, if any short-term recommendations are identified to improve performance, they will be implemented immediately.

As I said, I have asked for and obtained from NIW an action plan on the immediate and short-term improvements that it can make to its major incident plan. That is so that it is better prepared for any recurrence of that type of incident. Alongside that, I asked for key learning points from all public services represented on the civil contingencies group. I provided preliminary action points to the Executive for information.

I will move from the short term to the long term. Much comment has been made about the state of our infrastructure and the level of investment. I am not sure how well informed some of that is. I will have invested almost £1 billion in our water and sewerage infrastructure by the end of this financial year. Much of the investment has gone towards helping NIW to deliver the best drinking water that the North has ever enjoyed. Waste water treatment standards are also the best ever, and even overall leakage has reduced. Clearly, however, more is needed to catch up for the years of underinvestment. If justification were needed for continued investment, the recent situation demonstrates it. Unfortunately, the availability of funding will not allow us to make all the investment that we would like to over the next four years. To partially address that, I propose that additional funding be reallocated to water and sewerage from my Department's budget. I have done everything that I can as Minister for Regional Development to make sure that investment continues.

In my statement to the Assembly on 13 December 2010, I outlined proposals that were aimed at addressing the governance of the water industry in the short and longer term. I proposed a long-term review of the status of NIW, and I intend to submit recommendations to the Executive. In the short term, I proposed the amendment of existing legislation to stabilise current governance arrangements. The Executive have just agreed to my bringing forward a Bill to put short-term measures into effect. In addition, we have concluded agreements with the regulator and initiated a non-executive directors' appointments process, and officials are working

on a revision of detailed governance controls between DRD and NIW.

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

12.30 pm

It remains my view that governance arrangements should be based on water and sewerage services being delivered by a body clearly within the public service, subject to public sector controls and standards, and not set up to introduce separate water charges. I hope that those who have thus far opposed any change to the structures of NIW will now accept my argument that the organisation needs to be brought much closer to Government.

More broadly, we need to consider the roles and structures of all arm's-length bodies and whether they contribute to delivering public services. However, clearly that will be a matter for the next Executive.

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

The Chairperson of the Committee for Regional Development (Mr Cobain): I start by saying how grateful the Committee was for the heroic efforts by employees of Northern Ireland Water, councils and all the other organisations who worked long hours in very difficult conditions trying to bring some comfort to the tens of thousands of people who suffered during the debacle. The Committee also takes this opportunity to apologise to all customers for the hardship that they suffered over the Christmas period.

The performance of Northern Ireland Water over the past few weeks was a shameful episode for the company and an embarrassment for people in Northern Ireland. Most people, I assume, will be incensed when they learn that Northern Ireland Water had a wake-up call from the Utility Regulator just a few weeks before the crisis at Christmas. I quote from the Utility Regulator's cost and performance report on Northern Ireland Water, published on 14 December 2010:

"An exceptional period of cold weather in December 2009 and January 2010 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 to and resolve these problems."

The company, the Department and the Minister were in receipt of the report in the weeks leading up to the crisis.

However, despite the clear warning from the regulator and despite forecasts for unusually severe and prolonged freezing temperatures, to be followed by a swift thaw, it appears that, on 23 December, Northern Ireland Water was content that it could continue with business as usual. Instead of being in a state of high alert, ready for each and every development, the head of customer service delivery sent the famous memo providing assurances that all was in hand and telling everyone to go off and have a happy Christmas holiday. The result, of course, was that there were not enough staff or senior management in place when the storm broke, leaving the organisation rudderless during the crucial first few days. The mind boggles to think that no one in the Department or in senior management in the company challenged the contents of the memo, even though the regulator had highlighted how the company struggled in less severe weather earlier in the year.

Northern Ireland Water was slow to acknowledge the scale and severity of the problem at a time when 40,000 households were without supply and 5,000 out of 6,200 calls to the call centre were unsuccessful. It was slow to escalate the response to others in the Northern Ireland civil contingency group and slow to ask for help available to it through the mutual assistance agreement with other water utilities. It appears that some members of the Northern Ireland Water management team did not know what help was available under the mutual assistance agreement, and it was Friday 31 January — six days —

before help with call handling was asked for. That help was provided within three hours.

Northern Ireland Water's internal and external communications broke down completely. At one point, only 1% of the hundreds of thousands of customers who called were getting through to the company. Even if you were one of the lucky customers who got through, there was no accurate information about areas that would be off supply, for how long they would be off and when the supply would be restored. That unfortunate situation lasted for a number of days, leading to anger and frustration among customers.

Mr Speaker: The convention has been to give Chairpersons of Committees some latitude. However, we are now running to almost four minutes, so I encourage the Chairperson to come to his question.

The Chairperson of the Committee for Regional Development: When will the Minister take personal responsibility for the debacle?

The Minister for Regional Development: I certainly concur with the Chairman's appreciation for a lot of people in NIW, some of the contractors that were engaged in the response and for people right across the public services, particularly in local government, who assisted in response to the incident and brought it to a conclusion. I also share his views and agree with some of the criticism that he has levelled against the operational performance of NIW.

He quoted the regulator. The regulator looked at the response to the cold weather spell in the early part of last year and, as is his job, made some directions to NIW, which it followed. NIW went into a category one response in the early part of December 2010. People will remember that there was an early freeze for a week or so before the more severe weather around the Christmas period. It went through that response, and it was stepped down again. NIW obviously believed that the suggestions of the regulator had worked during the response in the early part of December. Nonetheless, many of the issues that he raised will be subject to investigation. I am quite content about that.

The Chairman asked about my personal responsibility for the Department. He will know that on any occasion on which I have to take responsibility for what goes on in my Department, I do so. I have gone in front of his

Committee many times to answer questions about my role in all aspects of my Department, including NIW's performance. Representatives of that organisation were in front of his Committee for two hours last week. I watched the proceedings, and they got to the nub of where the issues lay, namely with the operational performance of NIW. I am quite happy to go to his Committee this week. I offered to go immediately after Christmas, but the Committee decided otherwise. I am quite happy to go this week and talk to his Committee about my role in the response.

We face some very serious issues. I have been pointing out for some time the issue of NIW's information-sharing with the Department, the procurement issues that we had to deal with and its operational response to an emergency situation. I have been suggesting that the organisation needs to be changed. I have not found a substantial degree of support from the Committee, particularly from the Chairperson. I hope that, rather than come out with sound bites about resignations and people taking responsibility, he and the Committee will seriously address some of the issues that I will put to them now that I have got clearance from the Executive to bring forward some emergency legislation in relation to NIW.

Mr Speaker: There is quite a bit of interest in this morning's statement, and, given the nature of it, quite a number of Members have indicated that they want to ask a question. I ask all Members to come to their question quickly. If they do so, we will get every Member in.

Miss McIlveen: The Minister has sought to micromanage Northern Ireland Water with a variety of sackings and appointments. However, this statement appears to show a chronic lack of communication between him and Northern Ireland Water, which apparently was not aware of what was available under Water UK's mutual aid scheme, which could have eased the suffering of many thousands of people much quicker. How much of that was to do with the Minister not communicating with Northern Ireland Water or his interference in appointing board members and a chief executive who clearly were not up to the job of handling a crisis?

The Minister for Regional Development: The Member has been a member of the Committee for quite some time and, therefore, understands well the relationship between NIW as an

organisation and myself. I appoint members to the board, specifically the non-executive directors. I do not employ, and I do not hire and fire people who work for NIW as an organisation. The chief executive was recruited and hired by the board. He was then recommended for appointment to the board by me. That was the situation.

The Member asked about communication. We communicate with NIW through the normal channels at quarterly shareholder meetings. As I said, I issued a direction in August last year, which, given her job in the Committee, the Member had an opportunity to scrutinise. That aimed to make sure that NIW had an emergency plan in place. As I said, a copy of that direction was placed in the Assembly Library and, obviously, with the Committee. It asked NIW to:

“review and revise such plans and take such measures as it considers necessary to ensure the provision of essential water supply or sewerage service in a civil emergency, and to ensure the preservation of services”.

That was the role and responsibility of NIW as an organisation. It was nothing to do with communications, which are quite clear, and I am sure that the Member is quite clear on where the issues and relationship lay. As I said, I observed the discussion between NIW and the Committee last week, and it seemed that the Committee members, including Miss McIlveen, were quite clear about where those issues lay.

Mr Boylan: Go raibh maith agat, a Cheann Comhairle. Gabhaim buíochas as an fhreagra sin. I welcome the Minister’s statement. Will he outline his roles and actions in the crucial days of the crisis? He indicated that £1 billion has been spent already on infrastructure, but that seems to have been spent on waste and sewage treatment works. Will the money that is to be allocated in the Budget go to upgrading the mains infrastructure, which needs upgrading, including the cast-iron pipes?

The Minister for Regional Development: As I said in my statement, I was informed about the situation by telephone. I was in touch with my Department, and, on Monday 27 December, I was directly in touch with the chief executive and senior officials in NIW. The deputy First Minister and I discussed the matter on the Monday evening. We felt that it was necessary for us to go out onto the ground to assess what was going on to show a level of interest in some

of the suffering that the public were facing. From that experience, we communicated directly with NIW and with the Scottish Executive to secure an additional supply of bottled water.

We went to NIW headquarters at Westland House on the Wednesday morning, and we were accompanied by my permanent secretary and the head of the Civil Service. At that time, the Civil Contingencies Group kicked in. From then on, while recognising that people faced enormous hardship and misery and, particularly, frustration because of the communication issues, there was a marked step change in that NIW recognised the scale of the emergency that it was in and in that it sought and received additional help from across the public sector and other agencies here.

On the question about investment, 70% of the bursts happened on people’s private infrastructure, so it is not necessarily the case that investment in water mains rehabilitation was the issue. Nonetheless, all Members know that we have inherited the results of underspending in water and sewerage infrastructure. They know that, with the support of the Executive, I have invested £1 billion in NIW since coming into office. As the Member quite rightly said, a lot of that has gone into sewage treatment works because we had to deal with that specific issue, given that we were one step ahead of infraction fines from the EU because of the pollution that the sewage treatment works were causing around the shorelines. A substantial amount of that investment has also gone into water mains rehabilitation.

Members will know that my Department in particular has been hit by the capital cuts to its budget, and, as a result, I have found the capital allocations for year two and year three to be quite short. I had sought to supplement that significantly for my Department to ensure that we continue with a substantial level of investment in the infrastructure of NIW. Of course, it is a draft Budget; it is out for consultation, and I look forward to hearing views from Members and the general public.

Mr McDevitt: The Minister will be aware that article 91 of the Water and Sewerage Services (Northern Ireland) Order 2006 places a statutory duty on Northern Ireland Water to supply water to domestic premises and that, under article 93 of the same Order, people can

take Northern Ireland Water to court if they feel that they have suffered loss or damage as a result of loss of supply. The Minister mentioned that he had issued a general direction in August 2010. Will he clarify whether the effect of the general direction that he issued last week under the new powers that he took last August will continue to allow people to take Northern Ireland Water to court for any loss or damage that they suffered during the crisis, or will Northern Ireland Water now be unable to be sued by tens of thousands of people who may have suffered loss or damage during the crisis?

The Minister for Regional Development: The Member's party has majored significantly on the issue of compensation but, strangely, not on the damage to Housing Executive properties and the compensation that its tenants might receive. His party seems to have a major issue to do with compensation for NIW supply. A number of questions arise when a party makes blanket statements looking for compensation for people. I have no issue with people pursuing NIW if they feel that they lost supply as a result of its activities. The SDLP has laboured the question of the damage that was done to a person's property if their private supply was interrupted or was burst. I will be interested to hear any proposals from the Minister for Social Development about burst pipes on people's properties that were not insured.

12.45 pm

Another issue relates to people who lost supply as a result of a mains failure, which is the infrastructure that belongs to NIW. The Member is correct that, under those circumstances, people can decide that they may want to pursue NIW. The other issue to which he refers relates to the direction that I made to allow NIW to rotate people's supplies temporarily to allow reservoirs to fill up. The Member thought that that was a lesser priority, when critical supplies to areas such as the Royal Victoria Hospital and other hospitals in Belfast were a point of some concern, or he thought that if we gave a direction to allow NIW to cut off supplies to people, they would not be able to apply for compensation. The priority for everyone to whom I spoke on the Executive and elsewhere was restoration of supplies and filling up the reservoirs to ensure that critical supplies to places such as hospitals were maintained. That direction allowed NIW to step outside its normal provision in respect of water supply. I

think that that was the right thing to do. The consequences would have been much more serious if we had decided that NIW had to fix the supplies itself and if we had not given them any direction to deviate from supplies and to let the Royal Victoria Hospital and other acute services suffer a loss of supply. Therefore, to try to dress up that clear and necessary direction as somehow offsetting the possibility of securing compensation or pursuing NIW for loss of supply clearly misses the point. However, the Member has missed the point so often in the past three or four weeks that it would take a separate ministerial statement to address all the points that he has missed.

Ms Lo: In addition to the failure to communicate with the public during the crisis, NIW also failed in its duty to distribute water to people who had no water for days. The initial response to open up centres and to supply water came from local councils. Will the Minister assure us that if anything such as this happens again, the distribution of water to people who need it will be actioned immediately and that engineers will be sent out to repair pipes and mains?

The Minister for Regional Development: I agree with the Member. Initially, the response was not what would have been expected, and it was compounded by communication difficulties. Therefore, although water supplies went to certain public centres, sometimes the communication was inaccurate, which meant that some people arrived when the water had not arrived, or people were not aware that water supplies were in certain locations. Therefore, a lot of lessons have been learned.

As well as drawing up the terms of reference for a review, the Executive tasked me with looking at the immediate lessons that were learned and seeking assurances from NIW on those lessons in relation to its response to the incident. I have been assured of the involvement with local government and the recognition that local government stepped up to the plate and played a constructive role and needed to be more centrally involved in the response.

If anything else happens between now and the review being conducted, there will be much greater involvement across all agencies, including local government, to ensure that that co-operation is there and, crucially, that information will be shared so that people know when water supply is available and what

emergency supplies may be available in the future. I hope that we will not go back to that type of situation, but the immediate lessons to be learned from this experience are that we need to be much better prepared, and there needs to be much better communication, particularly with local government.

Mr G Robinson: First and foremost, I pay tribute to all Northern Ireland Water staff for their sterling work over the prolonged period. The Minister states that he proposes to allocate additional funding to water and sewerage services. Where will that money be taken from? Does he feel that it is wise that 70% of his capital budget is being spent on two road projects?

The Minister for Regional Development: I presume that the Member refers to the A5 and A8 projects. I have noticed that some members of his party have certainly been vocal on the A5 project. People who live between Larne and Belfast might be surprised to know that they also have a question mark over the A8 project.

The two projects are joint ventures between the Executive and the Dublin Government, who are funding them. The projects are significant and of great importance to regional infrastructure. Mr Robinson asked about additional money. As a member of the Committee for Regional Development, he will be aware of the hand that the capital cuts have dealt us. I faced a significant shortfall for NIW of £100 million in year 2 and £100 million in year 3. The draft budget is out for general consultation and, in particular, for discussion by the Committee. The NIW infrastructure needs continued investment. I had to look elsewhere in my Department to supplement the allocation that I received. We have managed to increase that significantly, although it is still not at the level that I would like. However, when the Executive face a 40% cut in the capital budget across Departments, Departments with big capital spend will obviously bear the brunt.

Mr Leonard: Go raibh maith agat, a Cheann Comhairle. The Minister referred to one of the short-term changes to NIW's response. Can he explain other short-term changes that his Department has identified to improve NIW's resilience? Have the Executive been informed of those changes?

The Minister for Regional Development: The Department has not identified improvements to NIW's resilience; NIW has identified them itself.

At the Executive's first meeting over Christmas, I was asked to ensure that every effort be made to bring us out of that situation, which is what happened; to ask NIW's board, at its meeting, to look closely at short-term resilience issues; and to set in place terms of reference for an investigation, which I have also done.

The company's short-term resilience measures include better communication; quicker action to alert other agencies and to seek and receive the type of support that NIW needs in such circumstances; clearer and quicker use of the mutual aid system that exists between NIW, as a company, and other companies in Britain; and so on. There is a range of measures, which was communicated to the Executive, by way of information, at a subsequent meeting.

Mr I McCrea: In his statement and, indeed, in the previous answer, the Minister referred to short-term measures to improve communication. In Committee, officials admitted openly that communication was poor, to say the least. Can the Minister assure the House that he will take the necessary steps, if not to look to the future, to ensure that communication is at least brought up to twenty-first century standards so that that lack of communication does not happen again?

The Minister for Regional Development: Yes. The Member is quite correct: NIW representatives at the Committee meeting accepted major failings in communication. Failings occurred in a number of areas, one of which was the company's website, which did not have capacity to deal with the volume of hits that it received. Immediate work has been done and advice sought from NI Direct, which has much larger capacity and, perhaps, more experience and expertise to determine the type of website that is not only able to share information on a day-to-day basis but can cope with emergency situations and the impact of the volume of hits that are generated when a great number of people use the site at one time. That immediate step has been taken.

Arrangements for call centres and call handling have been beefed up in the short term in order to meet any issue that may arise between now and the end of winter. There was certainly a view that information that NIW released — in particular, on its website and perhaps even in response to calls — was more for its own engineers and staff, rather than being of any

