



Northern Ireland
Assembly

Committee for Regional Development

OFFICIAL REPORT (Hansard)

Disruption to Water Services: Mr Danny
Kennedy MLA (Minister for Regional
Development), Northern Ireland Water and
DRD Officials

21 January 2015

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Members present for all or part of the proceedings:

Mr Trevor Clarke (Chairperson)

Mr Seán Lynch (Deputy Chairperson)

Mr Joe Byrne

Mr John Dallat

Mr Alex Easton

Mr Ross Hussey

Mr Chris Lyttle

Mr Declan McAleer

Mr David McNarry

Mr Stephen Moutray

Mr Cathal Ó hOisín

Witnesses:

Mr Kennedy

Minister for Regional Development

Mr Peter May

Department for Regional Development

Mr Sean McAleese

Northern Ireland Water

Ms Sara Venning

Northern Ireland Water

The Chairperson (Mr Clarke): I welcome the Minister and his officials. I do not think that we need any introductions. I think that most of them are familiar to most members. So, if you are happy enough, Minister, you may want to make some formal opening statement before we go into questions.

Mr Kennedy (The Minister for Regional Development): Yes, Chairman. Thank you very much indeed. I see that nameplates are available. Peter May, as you will know, is the permanent secretary in the Department. Sara Venning is the chief executive of Northern Ireland Water (NIW) and Sean McAleese is the customer service delivery director. I am grateful for the opportunity to update the Committee this morning, and I am joined by senior colleagues from the Department and NI Water. I do not intend to revisit the issues covered by my statement yesterday, which most of you were present for and heard.

The latest position is that approximately 1,200 customers are off supply. Nearly all those customers have been off for more than 24 hours. At the outset, I apologise on my behalf and that of Northern Ireland Water to all those affected by loss of water over the period of the dispute. It is not acceptable for the price of an industrial dispute to be the type of disruption caused to the community. I can confirm that all water treatment works are currently operating normally and producing water. As members know, it takes time to replenish reservoirs, and some properties, particularly on higher

ground, will have to wait longer before their supply is restored. In addition, when the system has drained, there is a risk of airlocks developing, and those can be difficult to remove. I want to reassure members that there are teams of Northern Ireland Water staff on the ground today seeking to resolve those problems. It is the number one priority for everyone involved to ensure that everybody has a normal usable water supply through the distribution network. For those currently without supply, alternative arrangements involving static tanks and bottled water are available. NIW and I fully recognise that those arrangements are inconvenient and cumbersome for those affected. They are only designed to be a stopgap measure where there is no alternative.

I will turn now to the industrial relations picture. Chairman, you will understand that I am limited in what I can say to the Committee this morning. Northern Ireland Water management and trade unions agreed at the end of their discussions early this morning that they would not make any public comment about where things have got to ahead of the meeting that trade unions are holding with shop stewards, and I understand that that is running almost simultaneously with this meeting. I know that the Committee will be keenly interested in where things are, but neither I nor Northern Ireland Water management are in the position to say more than that which has been publicly said already. I do, however, reinforce the strong message that I gave to management and unions at the Labour Relations Agency yesterday that the dispute needs to be resolved quickly. I believe that that is possible. When the picture has clarified, I will make sure that the Committee is kept informed.

Finally, I recognise that there is considerable unease about the scale and nature of the disruption. Some have expressed entirely understandable concerns that the problems have been concentrated in areas west of the Bann, and others have expressed concerns that not enough has been done quickly enough to overcome the problems faced by members of the community. I can reassure members that, while problems have been geographically concentrated, there is no wider agenda at play here. Our efforts are on securing a workable water supply for everyone, irrespective of location. In terms of the response, the Utility Regulator would normally take an interest in any sustained problem with regard to supply to customers. I am, therefore, asking the Utility Regulator to undertake a review of the response by Northern Ireland Water to the customer-facing aspects of the dispute, and I will provide the Committee with the terms of reference for that work once they are finalised. I am happy to take questions, Chairperson.

The Chairperson (Mr Clarke): OK, thank you for that, Minister. Before I open it up to questions, I remind members that we should steer away from any comments about the negotiations themselves. It would be inappropriate for us to involve ourselves, and it is outside our remit. It would not be helpful for any of us to stray into that area.

Everyone is aware of the severity of the situation and the difficulties that many people face today and have done over the last number of weeks. Can you describe how your emergency planning works and who is involved?

Mr Kennedy: Perhaps it might be helpful if Sara or any colleagues want to contribute to that. I have been proactively involved in and kept informed of this dispute for its entirety. We have emergency planning in place, and it might be helpful to run through that.

Ms Sara Venning (Northern Ireland Water): NI Water has a major incident plan, which is flexible enough to deal with whatever incident faces us. As we became aware of the impending industrial action, we instigated a major incident management regime. We put in place a command team that operated on a 24-hour basis so that it was manned around the clock. That team had the oversight of all the water treatment works and the distribution network. As issues arose, it put in place measures to mitigate them. This industrial action has been running from 22 December, and that regime has been in place all that time. A number of events have occurred that, through the team, we have been able to resolve, and they have not resulted in customer impact.

Mr Peter May (Department for Regional Development): The Department also has a major emergency response plan, which was invoked before Christmas. We have been playing our part in the oversight arrangements that the Department has, although we are not getting directly involved in the management of the water supply business. It is mostly about ensuring good communications across government, but we have been involved regularly on that basis.

The Chairperson (Mr Clarke): Peter, could you tell us more about that plan? Who is involved? How often have they met?

Mr May: I first convened a meeting of the departmental emergency management group on 19 December. That involved a range of representatives from the Department, NI Water, Transport Northern Ireland, the Health Department, the Fire and Rescue Service and OFMDFM. At that meeting, we agreed the regime that we would follow, particularly over the Christmas and new year period, which was the key purpose at that time.

The Department has been party to all the emergency responders' calls that Northern Ireland Water has hosted, and we have held a number of meetings since then to take stock of where things stand. The key judgement to be made under the response plan is the level at which the response needs to be pitched —

The Chairperson (Mr Clarke): I am sorry; let me take you back to 19 December. You convened an emergency meeting on that date?

Mr May: Yes.

The Chairperson (Mr Clarke): How many more meetings did you convene after that and when did they take place?

Mr May: I held a further meeting on 9 January with departmental staff, and there has been a series of ad hoc, informal meetings in between with representatives. Those were not formal meetings of the departmental emergency management group.

Mr Kennedy: It is fair to remember that the protocol that came into play immediately before Christmas, covering the Christmas and new year period, reduced some of the emergency aspects. That is not to say in any way that anybody became complacent or was not looking at what was happening. As I said in the House yesterday, I was kept fully informed of the impact daily and often more than once through the day. The protocol that was put into play to cover that Christmas and new year period did contribute to something of an easing of the situation.

The Chairperson (Mr Clarke): Absolutely, and I think that that should be noted. I have to thank Sara and even you, Minister. Prior to Christmas, you notified me, as Chair, about the position. You mentioned the protocol, and that has worked. Coming back to what you were at, Peter, you had a formal meeting on 9 January, at which stage the protocol will have ended. How many more formal meetings did you have after 9 January?

Mr May: There were no other formal meetings of the departmental emergency management group —

The Chairperson (Mr Clarke): So, there were no more formal meetings after 9 January, and we are at 21 January, at which stage there are about 9,500 domestic properties without water and farms without water, and you did not feel that it was necessary to call another formal meeting to try to intensify the negotiations or forge a solution to this particular problem.

Mr May: The purpose of the departmental emergency management group is not to oversee the response to the industrial dispute. I have been having multiple contacts daily with Northern Ireland Water about the management of that dispute and how to take it forward —

The Chairperson (Mr Clarke): You did not feel that it was necessary to have a formalised meeting. The Minister has been quite helpful to suggest that there was that protocol over the Christmas period, but, post 9 January, you have had no more formal meetings to try to intensify this situation to try to bring about a resolution.

Mr May: The purpose of the departmental emergency management group is merely to assess whether it remains within the Department's gift to be the lead Department or whether we need to elevate the situation so that we invoke the civil contingencies arrangements that involve OFMDFM. So, I do not want to mislead you to suggest that that is the key way in which this situation is being managed on an ongoing basis. If the situation had become significantly worse, of course we would —

The Chairperson (Mr Clarke): What is worse than 9,500 properties being without water?

Mr May: There are clear guidelines set for the different levels at which you raise emergencies, and I think that the guidance suggests that a major emergency at a level beyond the one that we are at would involve 80,000 customers being off supply for five days or so. I think that that is approximately the benchmark for the next level above. So, this is a very serious incident. As we saw from previous incidents in 2010-11, it is possible for even more serious incidents to occur.

Mr Kennedy: It is important to say that meetings themselves are perhaps not the important things. It is the actions and the knowledge that those meetings are putting into place. I am absolutely clear that that was the case with the departmental oversight of it and the hands-on, day-to-day stuff operated by the company.

The Chairperson (Mr Clarke): Minister, we saw you leaving a meeting yesterday with the Labour Relations Agency. I do not know whether you got to the stage of pushing heads together on that. Obviously, from what we hear in the media today, it sounds that the negotiations have been more fruitful and much more intense. How long did you stay at the Labour Relations Agency with the two sides of the dispute?

Mr Kennedy: I was at the Labour Relations Agency for well over an hour yesterday. Obviously, I had a briefing from Labour Relations Agency staff involved to get how they approached things. I want to place on record my appreciation and, I assume, everyone's appreciation for the efforts of the Labour Relations Agency. I had the opportunity at the outset of the engagement between the union representatives and the company to encourage and to implore the two sides to come together, narrow the differences and resolve the issues as a matter of urgency and to, effectively, remain in talks and negotiations. That was my role; it was not my role to get directly involved. I think that people will accept that it is not my role to begin to negotiate either way. I made clear my view as Minister and, I think, on behalf of the Executive and, I hope, the Assembly and the wider public that there is an absolute necessity to have this dispute resolved as a matter of utmost speed.

The Chairperson (Mr Clarke): When did you first put your view across to the both sides?

Mr Kennedy: I met the two sides in my departmental office at Clarence Court last Wednesday and made my feelings heard. Of course, in early December, I had taken the opportunity to meet NI Water and the trade unions to encourage an early resolution of things.

The Chairperson (Mr Clarke): Do you accept, Minister, that you are open to criticism, given, as you said in your answer, that you met last week to make your feelings known to individuals? Do you accept the criticism that it was a little too late?

Mr Kennedy: No, I do not. I say this respectfully: I have been actively engaged in this issue and have been encouraging resolution from its earliest point. That continues today, and I think my record is clear on that. I have sought not to make a bad situation worse; I have sought to concentrate minds and to remind people of the people whom we all serve — NI Water, as its customers, and we, as elected representatives — to bring normality to the water supply all over Northern Ireland.

The Chairperson (Mr Clarke): It seems to me, Minister, that by going in the week of 14 January, approximately, you were not concentrating minds very quickly.

Mr Lynch: Thanks for coming to the Committee. One of the issues raised yesterday, Danny, was why it was happening west of the Bann — parts of Tyrone, Derry and Fermanagh specifically. Why was that happening? I know that you have gone to some degree this morning on the radio to say that there are differences between working in the east and the west. Can you expand on that?

Mr Kennedy: Yes, and Sara will pick up any points. Essentially, water supplies to the east of the Province and to other parts are provided under a PPP contract. Dalriada Water, I think, is the company involved. It services and maintains the network in those areas. That is not the case with areas of the west. There is no reason for that except, I suppose, an historical reason that that is what it has evolved into. I want to dispel any suggestion that the west is being neglected or abandoned. I recognise that, for some, that is a very real concern, but it is genuinely not the case, nor should it ever be the case, because everyone in Northern Ireland is entitled to a water supply — a proper water supply — and we seek to provide that and maintain that. Those are the current arrangements. That is, largely, the reason why the west, in this instance, has seen greater impact, because the other

areas to the east are not impacted by the industrial action that is currently being taken by the trade unions.

Ms Venning: NI Water has 19 water treatment works. In the west, given its rural nature, there will be a number of smaller works. Believe it or not, a water treatment works is like a chemical factory. The actual process of turning raw water into drinking water is an industrial, chemical process. So, each factory, if you like, is fairly unique in how it operates and how it is run. Therefore, you have to have a degree of knowledge, skill and expertise in running it and in dealing with any faults that occur. Of course, it is producing drinking water, so there are very strict rules or guidelines set up that if an alarm is received and a plant appears to be going out of specification, if you like, the plant will shut down. So, for those reasons, there are lots of smaller works, smaller distribution networks and therefore less water in storage. A plant will shut down for safety reasons. If you do not have the expertise to go in and get that plant up and running again, the impact is felt sooner rather than later. During this industrial action, there were water-treatment plants in the east of Northern Ireland that did experience alarms and did shut down, but the combination of having storage in the system and the ability to get the works back up and running again meant that such widespread impact was not experienced to the same extent.

Mr Lynch: I know that you cannot go into the detail of discussions last night, but it has been reported this morning that the offer is the final offer. Is that true?

Ms Venning: Yes.

Mr Lynch: Obviously, we have to wait and see what happens today. What confidence can you give to the people, the customers, out there who have been affected? Are you confident that this will be resolved today?

Mr Kennedy: We want to see this dispute resolved as quickly as possible, and — on behalf of the company — the company is making every effort to do that, and I am satisfied that it is. Everyone knows where public opinion is on this issue. One hopes that we can make real progress today.

The Chairperson (Mr Clarke): I suggest, Deputy Chair, that we stay away. We are getting very close to actually weakening the hand of the Department, so if we can just stay away from that particular line, possibly, or from delving any deeper than that.

Mr Lynch: That is OK. Thanks.

Mr Ó hOisín: Notwithstanding the east/west divide, Danny, was there a divide in the west between urban and rural areas, because the perception out there is that the more isolated, rural areas were being cut off, whereas urban areas, such as, say, Derry city, were not affected? Was that the case, and what was the reason behind it? The water is coming from the same plant at Caw Hill.

Ms Venning: The answer to your question is no. I think that you want to talk about the city of Derry, which is fed from a different water-treatment works, which had not shut down. The Caugh Hill works did shut down. Part of the difficulty is that some of the network is fed directly from, I suppose, the pipe that exits or the tank that is associated with the water-treatment works, and therefore, once production stopped, those were the first customers to start to feel the impact of that, whereas the other customers had water in storage, and it took a little longer before they were impacted. There was no action or decision on our part that said that rural or urban customers are either more or less important: absolutely not.

Mr Ó hOisín: As regards notification, Caw Hill shut down at 7.20 am on Saturday morning. I was contacted by NI Water at 6.45 pm on Saturday night and put it out as much as I could round social media and everywhere else. There is and was a great degree of dissatisfaction about the way in which the word was spread. Are there any lessons to be learned there? There also seemed to be issues offline and with the website regarding what was on and what was not and even with getting answers. I know that the phones never stopped at the weekend with people wondering when, whether and how long it would go on.

Ms Venning: We are always happy to take feedback. Certainly, when we get all customers back on supply and get *[Inaudible.]* back to a stable running position, we will look back on this. As regards making sure that people were kept informed, you cannot give specifics. Water is different from, say,

electricity, so you cannot specifically say, "Supply will end at 7.00 on the 21st". When a water treatment works shuts down, all that we know is that, on average, this is the amount of water that customers consume. If they consume more, they will go out of supply quicker. If they consume less, they will have longer before they go out of supply. There are judgements to be made when informing people. We had in our major incident team a group solely dedicated to talking to consumer groups, critical care groups and elected representatives. Throughout the incident, we issued stakeholder reports. Depending on how critical the timing was, those reports were sometimes going out three times a day. When the situation was fairly stable, that maybe dropped back to once or twice a day. We convened multi-agency calls with the police, Fire Service, other Departments, the councils and community charity assistance to keep them up to date on the developing situation. Certainly, a lot of work was done on communication to make sure that the message got out. I noted yesterday some comments about the elected representatives hotline. Our call centre was evacuated for 15 minutes yesterday afternoon, and any calls that were not picked up in those 15 minutes were called back. That is what happened yesterday.

We are happy, however, to learn from this, Cathal.

Mr Ó hOisín: Finally, Chair, I know that the statements for stakeholders came out fairly regularly, but once places were reconnected, they fell off the stakeholder list. I know that Dungiven fell off it on Monday evening, and that meant that most people were reconnected. I can show you a picture of a pint of water from there at 10.00 pm last night. It is now about 24 hours later. That water is unusable. I think that is still the position this morning. While their new customers are back on water, they are not really, because they still cannot use it. Of course, the bowsers have been removed as well, so they are probably in a worse condition than they were when the water was off.

Mr Kennedy: Obviously, we are concerned about water quality. One hopes that, now that the main supply has been restored, the quality will continue to improve.

Ms Venning: It is something that we can look into.

The Chairperson (Mr Clarke): You were asked yesterday in the House about using the private sector to alleviate the problems and the despair that many people without water feel. At what stage, Minister, would you actually consider bringing in private contractors? We are at a stage that has run on for weeks. This is a work-to-rule situation rather than a strike: at what stage are you prepared to push the button to assist these rural regions by bringing water back on?

Mr Kennedy: Given the day and the hour that are in it, I do not want to raise any temperatures about this. Obviously, we would have to look at the ongoing situation if it is not resolved today. I can say that —

Mr McNarry: What does that mean? You said that you will:

"look at the ongoing situation if it is not resolved".

The Chairperson (Mr Clarke): Let the Minister finish.

Mr Kennedy: What we needed to do and what we had done in the dispute was approach private contractors. However, I have to say — Sara will bear this out — that there was a reluctance on the part of private contractors to interfere or to be seen to interfere in industrial action. Whether that continues to be the case remains to be seen, and whether other private contractors have the same views is a different issue. We need to see what the outcomes are today and what actions are necessary, because it is intolerable that so many people have suffered for so long and in such ways. We would, of necessity, have to look at other actions.

The Chairperson (Mr Clarke): You talk about raising temperatures, and I appreciate that you are in the latter stages of what have been described over the last couple of days, unfortunately, as intense negotiations. However, the temperatures on the ground have been pretty cold. We were at freezing point, and we have bowsers. The public have reported finding bowsers frozen, so they cannot get water out of them. Rural roads have also not been gritted. I listened to someone on the radio yesterday morning who had travelled 15 miles on roads that were not gritted to get bottled water. It is

a difficult situation for those people. I appreciate your point about the difficulty with some contractors, but I think that the time has long passed for that. Even if those contractors do not want to do it, there has to be a contractor out there who is willing, particularly in this economic climate, to take on work that will help Northern Ireland Water to restore supplies.

I think that the union should sit up too. There was another commentator on this morning — I did not hear it; someone else told me about it — who was very descriptive about how the east-west split works in some of the projects and how they are controlled better by the private sector. The unions need to be very careful, because many of the workforce, whilst they support the industrial action, are out a considerable amount of money. I think they are at a stage where they are reluctant. I think that the union members are beginning to realise that they are the ones who could lose out in the long run if you and NI Water decide to privatise more, because less overtime would be paid. The message is this: the west of the Province has suffered, but, over and above the west, rural locations have suffered. They might as well not have the bowsers, because they cannot get water out of them anyway if they are frozen.

Mr McAleer: I reiterate what Sean said. People in the west definitely feel cut off and feel like second-class citizens because of this. As a Member for a rural constituency, I can say that rural people feel the same — they feel cut off. I have been dealing with a situation in which a dairy tanker could not get to a farmer up in the Sperrins, and he was forced to flush his milk into the slurry tank. People feel cut off and isolated. The bicycle strategy was not rural proofed. That feeling is there amongst rural people, and I think that DRD needs to take that on board as well.

One of the things I spoke to you about the other day was the emergency protocols that were in place at Christmas. Certainly, there was a very desperate situation in my part of the world at the weekend. Vulnerable people were trapped in their homes; indeed, we had to get the Red Cross to assist local communities by distributing water. How determined are you to push ahead with setting in place emergency protocols, should they be required? I think there is a risk to public safety, particularly to vulnerable customers in isolated rural areas.

Mr Kennedy: Thank you, Declan. You will know that the protocol over the Christmas and new year period was entered into with the cooperation of the trade unions and NIW. To a certain extent, that will continue to be necessary if the protocol had to be reactivated or enhanced in any way. For the period it lasted, that protocol gave us some relief, but I am more interested in wider and more fundamental solutions so that we do not get into emergency situations like this again.

Mr McAleer: We all hope for that solution, but the situation at the weekend was greatly compounded by the adverse weather conditions. It is really important that, through your negotiations with unions or whatever, those are put in place. You mentioned, Minister, that you have asked the Utility Regulator to review the NIW response. Are there are aspects of its response that you think could have been better? What was the purpose in asking the Utility Regulator to carry out a review?

Mr Kennedy: You would, as would the Committee, expect me as Minister to review the company's performance. I do not think that there is anything wrong in asking the appropriate person — in this case, the Utility Regulator — to carry out that exercise. If there are lessons to be learned, they will be taken on board and learned. I do not see it as something that anybody should or could be afraid of.

The Chairperson (Mr Clarke): That is a good point, and it is well made. You are bringing the regulator in to look at whether any lessons can be learned by NI Water. Are you going to bring anyone independent into your organisation to see whether DRD can learn any lessons about its handling of the situation? You are quick to claim credit where it should be claimed, but whenever there are criticisms, you quickly distance yourself from them. Will you ask someone to independently review DRD's handling of the situation?

Mr Kennedy: Chairman, you will know that, in politics, success has many fathers; failure is inclined to be an orphan. I am not claiming either success or orphanage.

The Chairperson (Mr Clarke): Nor should you claim success at this stage — certainly not.

Mr Kennedy: No, I am not. I am not in any way suggesting that anyone involved in this would not have lessons to learn or whatever. I am open to that, but I believe that my record and that of the Department in its approach to the dispute stands up to scrutiny. This Committee scrutinises the

Department's and my work. I hear what you are saying, but I believe that my Department's actions can be fully justified and supported.

The Chairperson (Mr Clarke): You are very good at the sayings. I am not so good at them, but there is another one about asking my brother whether I am a liar. It is easy for you to ask the regulator to do a review. You are the head of DRD, so, given that you think that lessons could be learned for NI Water, why do you not accept the same criticisms of your Department? Why do you not let someone come in and do a review? It strikes me as odd that Peter said that your last formal emergency meeting was on 9 January, given that, on 9 January, we were not in the situation we are in now in Northern Ireland with the number of homes. After 9 January, things got much worse. Your Department has not seen fit to call an emergency meeting after that, so —

Mr May: Perhaps I could —

The Chairperson (Mr Clarke): Sorry; let me finish my point, Peter. Minister, if you are quick to call in the regulator to look at NI Water, you should also bring it in to look at your Department.

Mr Kennedy: I hear what you say. You are entitled to your view. The Minister's role is such that, at the end of the day, the buck stops here. I am absolutely clear on that. I have responsibilities. Others can be armchair generals if they like and can offer plenty of advice and not much support from the side. That is up to them. Ultimately, faced with the situation that we had, I believe that I have acted in a responsible way and in a way that wants to see the dispute resolved for the good of everybody. I do not think that the criticisms that I have heard, including those that you and others have offered, are fair or warranted. However, you have made them, and you are entitled to do so. I am concentrating on getting this thing fixed and resolved. The hurly-burly of politics is what it is.

The Chairperson (Mr Clarke): OK. We will still stay west of the Bann. John.

Mr Dallat: You said, Minister, that success has many fathers and that the orphan is very much on his own. Without wishing to cause any offence, you have appeared over the last week as being very much on your own — almost like a rabbit in the headlights. What support are you getting from your Executive colleagues?

Mr Kennedy: Obviously, DRD is the lead Department on NI Water, but there are cross-cutting issues to consider, not least Executive pay and pensions policies. I briefed the Executive at our meeting last Thursday. As I said in the House yesterday, when the dispute began to emerge more seriously in December, I sought the opportunity to meet the First Minister and deputy First Minister. Those meetings did not happen. However, there has been contact at official level, particularly with DFP, because it has a role to play, and it may yet have a role to play. I am getting on with the work that I am charged to do. Greater assistance from Executive colleagues might be welcome, but I am determined that we will pursue the resolution of this dispute at the earliest available time. Daniel in the lion's den is a story that will be familiar to many.

Mr Dallat: Let us leave that alone for a moment. Nineteen people asked questions in the Assembly yesterday. We have heard all the discussions on television and radio pertaining to this meeting. I keep thinking about the lady up in Draperstown who was collecting snow off the roof of a car to boil water or the poor farmer struggling with two buckets of water across a farmyard to keep animals alive. I have not heard anything this morning that will resonate with those people. I am conscious that discussions are going on. I hope, Minister, that this dispute is settled not quickly or at the earliest available time but settled today.

I will go back to an interesting point that was raised earlier. I am long enough in the Assembly to remember the dark days when NIW was at its lowest, during the days of Laurence MacKenzie. Since then, its image has improved dramatically, but, if you were to assess it in the eyes of the public, particularly those in the west today, you would find that it is at rock bottom. I have not heard a word from the chairman of NIW, Seán Hogan. Is he hiding under the table? He has had time to put things on his website about his skills, expertise and all that. What role has he played in this? Indeed, where are the other directors, who get well paid for working one or two days per week?

Ms Venning: Maybe I should take that. You made a very good point, John. I have been sitting here answering questions, but I should have issued at the outset a sincere apology to all the customers in Northern Ireland who have experienced supply interruptions. That is so far from what we in NI Water

aspire to. I recognise a great performance from within the NI Water team on turning the company around. Our record in providing clean, safe drinking water has, till now, been very good. We will get back to that place very quickly. The chairman and I have been in daily contact, as have the other non-executive members of the board —

Mr Dallat: Was he at the Labour Relations Agency all night playing his role?

Ms Venning: You may all have much more experience of the Labour Relations Agency than I do. I spent the night there — I left in the early hours of the morning. How that works is that there are two rooms and you need to have the people who can negotiate, who are negotiating and who have the knowledge and expertise of the offers and the asks. The people who were in the room were those with the knowledge and expertise of the asks.

Some of the non-executive directors were in the call centre. We had our call centre manned extensively over the period, should it have been needed. One of our non-executive directors was in the call centre. They were in contact with us offering support.

Questions were asked about whether we could find additional resource and what we did to look for additional resource. We looked right across GB. One of our non-executive directors is based in Scotland, and he was very helpful in providing contacts and leads for us. So, those right across the management and senior management team in NI Water were engaged in managing this.

Mr Dallat: I do not really want to ask any more questions, because what is critical this morning is that we get the news that this dispute is settled — not early or sometime in the immediate future but today. My compassionate appeal to everybody is that they should, for God's sake, rise above party politics and allow this to end. I have no doubt that it could end if everybody forgot about the election that is coming up, stopped scoring political points and allowed the thing to happen.

The Chairperson (Mr Clarke): Sara, can I take you back to a point you just made in response to John? It struck me, and I am surprised that he did not ask about it. Did you say that a non-executive director for NI Water is based in Scotland?

Ms Venning: Yes.

Mr Dallat: Crazy.

The Chairperson (Mr Clarke): How does that work?

Ms Venning: He lives in Scotland.

The Chairperson (Mr Clarke): How would he have any role to play in an organisation based in Northern Ireland?

Ms Venning: A non-executive director is there to provide strategic direction. They attend board meetings. That individual has significant experience in the water industry and provides expert and useful advice to the board. He is a very valuable member of the board.

The Chairperson (Mr Clarke): What has that member been doing in this dispute?

Ms Venning: He has been extremely helpful in providing sources of additional labour.

The Chairperson (Mr Clarke): Is that the additional labour that you cannot use? Is this the additional labour that the Minister said that you have tried to get but people are reluctant to come in?

Ms Venning: Yes. Our primary function is to make sure that there are drinking water supplies, and, as we experienced problems in our water treatment works, we sought to find ways to make sure that we could resolve those problems. We have looked far and wide to make sure that we leave no stone unturned, and that has —

The Chairperson (Mr Clarke): So, the non-executive director based in Scotland has told you where to get individuals for the workforce. Have you secured more people to come in and do work?

Ms Venning: We have followed through on the leads that he provided for us, and we continue to progress them.

The Chairperson (Mr Clarke): Have they been successful?

Ms Venning: We have not deployed them in Northern Ireland.

The Chairperson (Mr Clarke): You have not.

Ms Venning: No.

The Chairperson (Mr Clarke): So, they have not been that useful, then.

Mr Kennedy: It is worth saying that people are appointed through the public appointments process. People bring experience and offer skills, and the Northern Ireland Water board is not unique in attracting that type of experience for the benefit of the operation of a water company.

The Chairperson (Mr Clarke): I am not taking away from that. Sara said that he gave her very valuable leads. However, those leads sound as though they were futile, because you did not get anybody to work for you.

Mr Dallat: Minister, will you give the Committee an undertaking this morning that you will look at a public appointment? You have inherited quite a few of them in different organisations, and I will spare the others their blushes this morning. Will you please, as I think you indicated you will, look at how those people are appointed, what skills they have and perhaps even where they live so that we have something better than we have at the moment?

Mr Kennedy: I note your comment. I think that we might be in trouble if we were to heed your advice about where people live —

Mr Dallat: I stopped short of it there.

Mr Kennedy: — because there were criticisms of geography. I take an active interest in the public appointments process and will continue to do so not just for NI Water but for the other public appointments that are available to me.

Mr Hussey: Good morning, Minister. You have taken quite a lot of personal criticism. You have been accused of burying your head in the sand and of going into hiding. How do you react to that criticism?

Mr Kennedy: We talked about the hurly-burly of politics. Politics can be a rough trade, and sometimes politicians do what politicians do best, which is to blame each other or somebody else. I am not sure that that impresses the wider electorate. My focus in all this has been to resolve the dispute and to address the clearly dreadful situation that many people across the Province find themselves in, particularly in the west and in areas of counties Tyrone and Fermanagh. Others may want to take potshots. People entering public life understand the consequences of doing so. So, you give it, and sometimes you have to take it.

Mr Hussey: I forgot about this at the start. I pay tribute to the Red Cross, the Churches and the individuals who have gone out of their way to help the people in west Tyrone and further afield. We have all seen images of our constituents with saucepans, having to melt snow.

Mr Kennedy: I join you in a tribute to all those who have sought to help and particularly to bring relief to families, homes, households, businesses and farms — the full range of services. Those that you named are included in that.

Mr Hussey: The staff involved in this dispute are the same staff who, a few years ago, worked night and day in extreme weather conditions to bring water services back to the west. These are the same people who were lauded highly by everybody in the Assembly and councils throughout Northern Ireland. So, there is no doubt that they have a skill set and a very strong work ethic. How was the protocol that was put into place before Christmas negotiated?

Mr Kennedy: It was negotiated with the cooperation of the trade unions. To that extent, it was very welcome. I hope that we are not in a situation where we would have to get it put in place today, because I want to see the issue resolved fully and finally.

You are right. These workers are involved in a classic management/union dispute. People feel strongly about an issue. We are in a democratic society, and trade unions are entitled to make representations. That is the nature of it. We are trying to work through those issues, and we will continue to do so until we resolve them. However, we absolutely cannot ignore where public opinion is on this or the general feeling in the community about getting this sorted and restoring to people a proper and full water supply.

Mr Hussey: My final comment is about the extreme weather that we have experienced in the west. Obviously, counties Londonderry, Tyrone and Fermanagh have taken the brunt of it. In fact, if you leave Omagh and drive to Ballygawley, you will find that the whole eastern side is clear, whilst we in the west have had really severe weather. Without the industrial dispute that we now face, would we have had similar problems with the water supply in the west due to the current adverse weather?

Mr Kennedy: No, I do not believe that we would, because we are not in a situation of prolonged bad weather that impacted in the way that the freeze/thaw episode did, particularly over the Christmas holidays at that time. All those factors were in play at that point. No. In my view, the disruption to the water supply is solely down to the water dispute, so it is important that we resolve that.

Mr Easton: My first question is addressed to Sara. Will businesses affected by this get a reduced bill to make up for the loss of their water supply?

Ms Venning: Only insofar as they do not consume water. There is no guarantee of an uninterrupted water supply to business customers. So, the answer is no.

Mr Easton: Danny, yesterday you avoided a question regarding the redeployment of staff towards the most severely affected areas. Will that happen if the dispute goes on and things get worse? Will staff be redeployed if necessary?

Ms Venning: I suppose I should answer that. We have set up what is called a silver command team, which is tasked with assessing the situation on the network and then assigning resource in full to wherever it is needed to resolve any issues. That is how that will be handled.

Mr Easton: If things are not resolved and the situation gets worse and then really bad, are you looking at bringing in the private sector to help, if needs be?

Ms Venning: From the outset, from before this action commenced, we looked to all those who partner with us and have some of the skills and expertise that we might need. We made requests through mutual aid in GB and Northern Ireland, as well as through partner contractors. Throughout this period to date, all have responded to say that this is an industrial dispute and that, therefore, normal mutual aid protocols do not apply, so they are reluctant to engage with us. We are now actively looking to other arrangements to source the expertise that we might need. We will not stop in that regard.

Mr Easton: Finally, I know that the industrial action has been happening since 22 December 2014. How long have talks and discussions about the dispute been going on?

Ms Venning: The dispute centres on the introduction of pension reform. Discussions on pension reform have been ongoing for well over a year, and it is probably 18 months since we identified the need to reform our pension scheme and made the unions aware of that. In July 2014, we formally consulted on the revised pension scheme, and there was a period of open consultation from July to September. From September through to December, we met the unions at least monthly — often fortnightly and weekly — to work through the concerns. The key concern raised was affordability, and we have looked at whether, within the parameters of the Executive's pension policy, we could address that. That is the work that we have done, and there has been very regular dialogue between the trade unions and management for a sustained period.

Mr Easton: I accept that. That is a fair point. How did we get to this point, given that it has been discussed for well over a year? Surely, we could have resolved it a lot sooner. I certainly would like to

think that that would have been the case. How did we get to this stage after such a long period of discussions? It is just —

Ms Venning: That is probably a key question. When we get out the other side and have our 20/20 glasses on, we may be able to say, "There is the point" or "That is the point".

From our perspective, dialogue was ongoing. A number of the things discussed in later weeks were not discussed earlier, and some of those became very important. Fundamentally, it boils down to pension reform, which has been implemented across the public sector. A group of people did not want to accept that, and that is the fundamental point. It is Executive policy, and the difficult thing for us was to find a way to communicate that and take our workforce with us.

The Chairperson (Mr Clarke): The Minister is quite right about public opinion and how it has been swayed by the whole situation. The public are beginning to ask why, with the work-to-rule, there is such a reliance on overtime. Will you look at that or not? Will we continue to have a total reliance and dependence on overtime in such a large organisation?

You have just taken a drink of water. Some of your critics have tweeted about that, and some of the media have also picked up on that. We all rely on water. Will you continue to rely on overtime as a way forward for the organisation? We have all seen the impact of this. The unions have, I think, misjudged and miscalculated their timing, but they have used it to their advantage to cause maximum disruption. However, they are also disadvantaging the workforce, given what it will lose. The public are asking that question — I do not know whether other members have heard this as well. The public cannot understand why an organisation such as NI Water has such a reliance on overtime to supply water, which we all take for granted.

Ms Venning: I take you back to the point that NI Water is a public health utility, and it operates 24/7. Over the past number of years, since we have been reclassified as a non-departmental public body, we have been subject to public-sector pay remit policies. So, the pay remit policies for the Civil Service, which is not a 24/7 utility, have been applied to NI Water. That has introduced friction in the industrial relations environment.

In Northern Ireland and Great Britain, it is standard practice across utilities to cover out-of-hours and emergency work through on-call and standby rotas. The reason why we find ourselves exposed is that we are subject to industrial action. Had staff in any other utility in Great Britain taken industrial action and withdrawn their services from on-call and standby rotas, there would have been a similar outworking. The use of on-call and standby rotas to ensure a 24/7 response is a standard operating practice for utilities.

The Chairperson (Mr Clarke): I am not disputing that. I am saying that what is happening shows the effect when that does not work. Have you done any cost analysis of overtime payments? Has any consideration been given to breaking away from that and looking at a shift system?

Ms Venning: A shift system is among the systems that we have looked at in the past. Running a shift system is far more expensive, and we do not have the amount of work that would justify having somebody working on a full shift. Certainly, however, when we come through this and get customers' supplies restored, we will look to our operation, and we will want to maximise it to provide uninterrupted customer service. That will be our focus.

The Chairperson (Mr Clarke): My only reason for asking the question is that the public are also asking why there is such a reliance on overtime.

Mr Byrne: I welcome the Minister, his officials and the chief executive of NIW. I appreciate that the Minister came to the House yesterday and made a statement, but I still feel that there is a fair bit of bluff, smoke and fog around. Why did nobody recognise that this was a crisis that affected thousands of people until very late in the day? On the industrial relations negotiations, why were there token meetings for a long time and concentrated meetings only yesterday? Did you leave the meeting last night with a clear understanding that everything had been done to come to a final conclusion?

Mr Kennedy: Thanks, Joe. I have been trying to concentrate minds, and the company has been involved in direct and detailed negotiations for quite a long period throughout this dispute. So, it is not that there has been a casual attitude or that it does not matter. It does matter and has mattered

throughout. Before Christmas, because it mattered so much, we were able to put that protocol in place. That tided us over and gave us more time, but, ultimately, we are politicians, as many in this room are as well, and we understand negotiations. We understand when they come to a climax, and we very much hope that last night's negotiations will come to a successful climax. That is where we are, but there has been no attitude of "well, it doesn't matter" or "who cares?" or "so what?" I am not a "so what?" Minister. We need to continue to ensure that this dispute is resolved as quickly as possible.

Mr Byrne: Why did the hotline information service fail so badly? People were trying to get answers and were given conflicting information and advice, which added to the confusion.

Mr Kennedy: It might be helpful if Sean addressed that.

The Chairperson (Mr Clarke): Sean might feel useful now after sitting for nearly an hour and not getting to speak. *[Laughter.]*

Mr Sean McAleese (Northern Ireland Water): I will give you a feel for the number of calls that we have taken in total. We took nearly 15,000 operational calls from before Christmas until yesterday. We answered, with HotVoice, over 99% of those calls. There were a couple of interruptions because of fire evacuations from the building. When that happened and the call was traceable, we endeavoured to call back. We had a couple of interruptions for short periods.

Mr Byrne: Do you accept, however, that there was conflicting information and that different stories were told to people at different times?

Ms Venning: We are more than happy to address specific issues, Joe.

Mr Byrne: Some people are on public record as having said that. There was a farmer from Kesh, for example, who said that repeatedly.

Ms Venning: You will find different responses, and that goes back to the vagaries of a water network. In the first instance, if you are without water and the water treatment works come back on, we tell you that your water supply should be on within x hours. If there is an airlock, that does not come to fruition, so the next time you phone in, you will be told that there is an airlock and that your water supply should be restored, and we give you our best estimate. In some instances, for the people in Draperstown, for example, those airlocks took four to five days to resolve. That is why people might get different answers when they call the call centre. We make sure that our call handlers are equipped with the best information that we have at the time, and we make sure that the information that the call handlers have is the same information as on our website. Our website was up and running, and customers were able to input their postcode to get an update specific to their area and find out where alternative sources of water, also specific to their area, were located. Those all worked throughout, and they continue to work as the incident is ongoing.

Mr Byrne: Danny, you are the Minister. The only way that the public at large could bring this issue to the accountable authorities was through the Assembly. Have Mr Robinson or Mr McGuinness contacted you since yesterday and asked for advice, help or a meeting?

Mr Kennedy: Nothing since yesterday. I spoke to the deputy First Minister, mostly in his capacity as a constituency representative, on Saturday night, but there has not been a lot of contact.

Mr Byrne: Is the Minister of Finance and Personnel the gatekeeper? Is he somewhat to blame in this regard?

Mr Kennedy: DFP has and will have a role in this. Let us see what the coming hours bring, but I hope that everybody can work positively and proactively to bring about a successful conclusion as quickly as possible.

Mr Byrne: Has the Finance Minister's advice or help been sought over the last 24 hours?

Mr Kennedy: There has been consistent contact with DFP at an official level over quite a prolonged period. I have not spoken directly to the Finance Minister.

Mr Moutray: Thank you, Minister, for coming to us this morning. Hopefully, there will be a resolution of this dire situation today, but, if not, what can be done this weekend that was not done last weekend for the consumers who are impacted? Minister, you said that some private companies were not willing to become involved and lend assistance, but, if I picked you up correctly, you said that others had not been explored. Then, however, Sara said that there were no private companies willing to come in and help. Is that the case? If so, Sara, you mentioned another resource that may be tapped into. Will you expand on that so that people will not have the same levels of hardship this weekend?

Ms Venning: Thank you for the question. If the industrial action continues, I cannot guarantee that there will be no impact this weekend. I have tried to explain that every avenue open to us is being explored. Normally, in circumstances like this, if the disruption was the result of nature, you would get mutual aid from the water companies, you would get mutual aid in Northern Ireland and you would turn to other contracting partners. We did that in this case, but people were clear with us that, because it was an industrial dispute, their organisations were very reluctant to become involved, which is why that resource was not available to us. So, we continue, as a responsible management team, to seek a resolution, but I cannot give guarantees today.

Mr Moutray: Are you saying that no private companies will lend help?

Ms Venning: I cannot give guarantees. I am saying that I continue to explore options to find a resource.

Mr Moutray: Thank you.

The Chairperson (Mr Clarke): Sara, how many of the total NIW workforce actively work on the supply of water? How many are involved in industrial action?

Ms Venning: We have 1,260 staff, and just over 700 are trade union members.

The Chairperson (Mr Clarke): I assume that they have their normal day jobs as well. That means that you have almost 600 people not involved in industrial action. Are they involved in the work-to-rule as well, or will they come in and cover the overtime?

Ms Venning: That is how we have been able to manage an incident management regime on a 24/7 basis. We have had access to members of staff who have worked throughout this dispute and have worked round the clock. We maximise the people who are willing to come in and work. People have been in working every single day since Christmas, 24/7.

Mr Kennedy: It is worth saying that they have to be willing; they cannot be forced.

The Chairperson (Mr Clarke): Absolutely. They have to be applauded for what they are doing because there is a great reliance on them. Given that there seems to be more pressure at the moment in the west, or at least there is that perception, are the 600-odd workers who are not taking industrial action concentrating on the west and the evening shifts or are they staying in the east?

Ms Venning: Our incident management team is set up in Belfast. It gets telemetry signals from all our assets and then directs resource as and where a problem has occurred. We have a central pool of resource and send it to wherever it is needed.

Mr McAleer: That is the point that I was trying to get at yesterday in my question to the Minister. On Saturday, for example, the Loughmacrory treatment works seemed to be the problem, but you had access to 600 staff. Why could some of those not have been reallocated to try to address that issue?

Ms Venning: We had a team of managers in that water treatment works. They were there for six to 14 hours trying to deal with what had gone wrong and get the works up and running. A significant number of things went wrong in that works. There was a power outage and a number of other failures in the works, and they were not able to bring the works back up. So, we did have people in. The other thing to remember is that this is skilled work and you have to have the right skill set. I do not mean to detract from accountants, but, if you are an accountant and I send you into a water treatment

works, you will, first, not be able to get that works back up and running, and, secondly, I would not do it from a health and safety perspective.

Mr Kennedy: I probably would not send in a politician either.

Mr McAleer: Chair, it was remiss of me earlier to not put on record the great assistance from the Red Cross, which brought its four-by-fours into the Tyrone area on Sunday. Without them, a lot of vulnerable people would have been a lot worse off.

Mr Lyttle: Thanks for being here today, Minister, officials and NI Water staff. May I ask for a very brief summary of the initial proposed changes to the NI Water pension scheme and how they compare with other public-sector pension reform?

Ms Venning: As we sought to reform our pension scheme, we did so in such a way that it would be broadly comparable with the public-sector pension scheme: a move from a final salary scheme to a career average scheme; an increase in contributions; and a linking of the normal retirement age to state pension age. Those were all areas that were broadly comparable with the public-sector pension scheme. A number of checkpoints were carried out in conjunction with the Government Actuary's Department and latterly with DFP to ensure that our proposals were broadly comparable with those of the Civil Service.

Mr Lyttle: Minister, will you in any way review the governance arrangements for NI Water given this scenario where 50% of distribution and maintenance is provided by a public-private partnership and the rest is not?

Mr Kennedy: Chris, I think that all of us in this room are aware of the governance issues and the financial arrangements in which NI Water has to operate. It is less than satisfactory from their point of view, so I have put options to Executive colleagues and the Executive review group. Ultimately, these are decisions for the entire Executive to move forward on. There has not been a lot of progress on the options. If we were to take a sample of opinion even around this room, various options would be favoured, and some might be ruled out completely. That does not help NI Water in its operation, and it does not help with the governance and finance issues. Of course, those issues remain of concern to me.

Mr Lyttle: It is hard to conclude that the governance arrangements are doing anything other than exposing customers to significant risk of serious disruption if and when industrial action of this nature occurs.

Mr Kennedy: You can take that view. You can also take the view that trade unions are a feature of a democratic society and are entitled to organise and to represent their members and the workforce. Generally, they make a very positive contribution to working life here, as they have, and they have worked very hard. The entire staff and workforce have made significant strides in more recent years. The reputational damage caused by the debacle of the freeze/thaw had, largely, been repaired. I regret very much that this issue will, perhaps, impact on that. That is why we need to get it sorted out as quickly as possible.

Mr Lyttle: Sara, you have responded to this to a certain extent already, but will you confirm your assertion that shift patterns are unfit for purpose and stand over the need for the overtime bill of, I think, somewhere in the region of £2 million that was incurred last year?

Ms Venning: Yes, it is normal practice to cover out-of-hours events with the use of standby and on-call rotas. They are routinely used across the utility sector and other sectors. Press articles this morning quote figures that may not reflect the true extent of NI Water's salary bill. That might be impacting on your question. On-call rotas are certainly a proper way to cover out-of-hours events.

Mr Lyttle: I have a last question, Chair. Minister, you touched on finance as well. Yesterday, you said that underinvestment over the years had led to weak infrastructure in certain places. Has underinvestment been part of the problem? How exactly do you propose that the Executive address that?

Mr Kennedy: I have argued very strongly at the Executive table, and I have welcomed the comments of Committee members in supporting further investment in NI Water and our water infrastructure. It is

very necessary as we move forward under PC15, and it is where the Utility Regulator has made clear that we need to be. Unfortunately, decisions have been taken. The agreed Budget for next year leaves a significant shortfall in those plans. I regret that very much, and I hope that, somehow, we can address that through political consensus.

Mr Lyttle: Chair, may I make one proposal in closing? The Red Cross has called for OFMDFM to enact civil contingency legislation that would formalise regional and local government roles in emergency planning. I have raised the issue at the OFMDFM Committee, but it might be worthwhile for this Committee to receive a briefing on the extent of civil contingencies planning in the Executive and, maybe, to hear from the Red Cross on how it thinks that it could possibly be improved.

The Chairperson (Mr Clarke): I am happy that we write to find out the answer to that, but, if the Red Cross wants to make a presentation, the OFMDFM Committee is probably better placed to receive it than us.

Mr Lyttle: It is an Executive responsibility. The Minister for Regional Development is, obviously, consistently in a lead role and at the head of having to take responsibility for many of these issues, but there are wider arrangements in place, which, perhaps, should be looked at, in my opinion, the DRD Committee could look at those. I will leave that with you, Chair.

Ms Venning: What you have seen here in recent days underpins the essential public service that NI Water provides, which reinforces what Chris said about funding,. We have been through a process with our regulator that set out the funding levels required in order that we are an efficient organisation, not an organisation with slack in it. I appeal for your support in the coming weeks and months in answering this question: do we value our water and sewerage services and can we fund them?

The Chairperson (Mr Clarke): I think that you make an interesting point, following on from the point that Chris made. I know, Minister, that you have your trolls to find out when I say something. I notice that you issued a statement yesterday that attacked me, so maybe I will just correct you. You were given a budget allocation from a draft Budget that you did not vote against. You abstained, so you were probably in support of it. You took that allocation and robbed more money —

Mr Kennedy: It was the draft Budget, I think.

The Chairperson (Mr Clarke): I think that it was the draft one, yes. You robbed more money from NI Water. The allocation that you were given was within your control. It was your decision to take more from NI Water. Then, you come back with a begging bowl. Actually, I think that you are a bit like Oliver Twist, asking, "Please, sir, can I have some more?" You have been bailed out time after time, so I think that it is time that you stepped up to the mark as well.

Mr Kennedy: A draft Budget is a draft Budget. You know that when that emerged as what was termed an "agreed Budget", I voted against it. You know my record on that. I hoped and expected that this Committee would be unanimous in its support for the proper funding of NI Water in the present situation and as we move forward, given PC15, what the regulator says and all of those issues. That is not the case, unfortunately, and that is regrettable.

The Chairperson (Mr Clarke): Joe, do you want to ask a supplementary?

Mr Byrne: I will let David go first.

The Chairperson (Mr Clarke): I imagine that David might have a few questions, so you can have a supplementary.

Mr Byrne: Sara, do Lough Bradan and Loughmacrory need capital investment or not — there has been recent capital investment in both — or was it a case of changing filters and chemical additives as part of routine maintenance?

Ms Venning: These water treatment works, going into the PC15 period, will have had amounts of money for maintenance activities assigned to them, and they are built into our business plan for the next six years. That business plan appears not to be funded, and, therefore, we will have to go through a process of prioritisation to determine what the money that is available will be spent on.

Mr Byrne: Let us have an answer to this straight question: do those two water providers need capital investment or routine chemical changes?

Ms Venning: Just routine maintenance is planned for those works.

Mr Byrne: So, before settling the dispute, you could have redeployed some staff yesterday to give some attention to Lough Bradan.

Ms Venning: During the normal working day, staff are available to work. So, from 8.00 am to 4.00 pm, we have staff fully deployed at our works.

Mr Byrne: The crisis was not sufficiently severe to do that last week.

Ms Venning: Every day last week, during normal working hours, we had staff deployed to the works. It is only out of hours that unavailability becomes an issue.

The Chairperson (Mr Clarke): Joe, you may come back to that, but I will let David in. That was a very long supplementary.

Mr Byrne: Chairman, I do not believe in much political foreplay. Let us get to the issues that matter.

The Chairperson (Mr Clarke): Yes, but wait your time. David was before you.

Mr McNarry: I was very glad to give way to Joe. It was a very pertinent question.

Mr Dallat: He is an awfully nice person.

Mr McNarry: If it is OK with you, Chair, I want to take on Mr May, Northern Ireland Water and the Minister, in that order. From the outset, there are no party politics involved in this.

Mr Dallat: There should not be.

Mr McNarry: There are not. This Committee is a scrutiny body, and people come first in politics. That is the way that this Committee has always acted, and I am very proud to be a part of that.

Mr May, can you tell me when officials realised or first knew that the union would come knocking on the door over pensions?

Mr May: There have been ongoing discussions with Northern Ireland Water right through —

Mr McNarry: No, no. I am asking you and your Department when you first realised. When did it become obvious that the union would be knocking on your door?

Mr May: Just let me explain. Throughout the introduction of the pension scheme, there have been ongoing discussions between the Department and Northern Ireland Water. As a result of the consultation, it was clear that there was concern in Northern Ireland Water amongst staff. Northern Ireland Water then balloted its staff. Throughout that period, there were regular ongoing contacts between the Department and NIW. We were aware throughout the time of where we were on the pension negotiations.

Mr McNarry: In her answer to a previous question, Sara Venning said that it was 18 months ago that she first knew about it and thought about it. Does that coincide with your Department; did you know about it 18 months ago?

Mr May: The issue of the need to address pension reform was first raised in March 2012. The reforms were being brought in across the public sector. The Northern Ireland Water scheme is a by-analogy scheme; it is a scheme that is designed to remain as close as possible to the Civil Service scheme. As the changes were brought in for the Civil Service, the Department was raising with Northern Ireland Water questions about how that would be introduced.

Mr McNarry: OK. On the matter of questions about how that would be introduced, when was the stance on pensions, which was not to give way to the unions, adopted between the Department and the company?

Mr May: The Department has been clear throughout that any resolution has to be within the terms of the Executive's wider pensions policy. We have not diverted from that throughout the discussions.

Mr McNarry: So, the Department and the company were both very clear that there would be no concessions.

Mr May: There were discussions about whether there was any scope for flexibility. We had to clarify that there was none.

Mr McNarry: OK. Maybe this is an "if", but when did the Department talk to the unions?

Mr May: The Minister has rehearsed that he met the unions prior to Christmas, and he has met them twice since. I went to a meeting on 23 December with Sara and other Northern Ireland Water colleagues in respect of the protocol. There has been a series of contacts with the unions through the process.

Mr McNarry: Is it fair to say, Mr May, that, up to late last month, the Department had not, via the Minister, you or your officials, spoken to the unions?

Mr May: It was not late last month. I cannot remember the precise date, but the Minister met the unions in early mid-December. I joined the Department only in mid-November, so my recollection before that is not perfect.

Mr McNarry: I appreciate that.

Mr May: Normally, you would expect management and unions to meet to address industrial relations issues. You would not expect the Department to get involved.

Mr McNarry: OK. Have you or your senior directors visited the areas and the people affected by having no water?

Mr May: No.

Mr McNarry: OK. I will now turn to Northern Ireland Water. When the word is good to go back to work, how long will it take for the supplies to be treated as normal?

Ms Venning: This morning, 1,200 customers were without water supply. We are at normal water production today. We have staff as normal deployed on the ground today to deal with airlocks. So, —

Mr McNarry: Normal was before this incident. I understand about 1,200 workers. I understand, and the people who have been dramatically affected will understand, that the figures have fluctuated from 3,000 to 4,000 to 6,000 to 9,000. I am really talking about going back to normal life.

Ms Venning: Within hours.

Mr McNarry: Within hours.

Ms Venning: If the unions call off their action, it will be within hours.

Mr McNarry: Within hours. OK.

Regarding technical, mechanical or structural elements — I know that this is hard to gauge, but it would be helpful — are any new or suspected complications likely to arise in other plants?

Ms Venning: I do not think that I can answer that question. I cannot tell the future.

The Chairperson (Mr Clarke): I think, to be fair, you would need a crystal ball for that one, David.

Mr McNarry: I think that if there was an engineer sitting there —

Ms Venning: I am an engineer.

Mr McNarry: I would have thought that you might have been able to answer it, because somebody should be able to give you that information.

The Chairperson (Mr Clarke): I think that is unreasonable.

Mr McNarry: I do not think that it is unreasonable at all. We are here to find out.

You said in previous answers, and you give an indication, which prompts me to ask this question: have you been trying to bring in contractors from outside Northern Ireland?

Ms Venning: We have used those contracts that are open to us, existing contracts, to supplement our resource during this action. And outside —

Mr McNarry: My question is this: have you been trying to bring in contractors from outside Northern Ireland —

Ms Venning: We have looked to GB to see if the resource that we require is available to us.

Mr McNarry: And is it?

Ms Venning: It is a work stream that is actively ongoing.

Mr McNarry: Pardon.

Ms Venning: It is something that we are actively progressing at the minute.

Mr McNarry: So, if you could be back in business within hours, as you said, why would you be ongoing with the potential of bringing in outside contractors?

Ms Venning: So that, if the dispute is not resolved, we are no further behind. We have to put customers first, and that is what we are doing.

Mr McNarry: So, if the dispute is not resolved, you are going to move immediately to use outside contractors from Northern Ireland or anywhere else to get the supply back to normal within hours. Is that what you are saying?

Ms Venning: I think we have probably got mixed up. I am seeking to look further afield to see if resources are available to us. That is not something that can be deployed within hours, logistically, if for no other reason. They cannot be here within hours. Moreover —

Mr McNarry: How long would it take to get them here?

Ms Venning: I cannot tell you at this point because I have not secured the resource.

Mr McNarry: In your discussions about the potential for that, bearing in mind that there will be costs, logistics etc, have you not asked this question: "If we required you, you could do it and we could seal a temporary contract, how long would it take you to be here?"?

Ms Venning: Indeed. Those are the discussions that are ongoing.

Mr McNarry: Have you not have an answer yet?

Ms Venning: Those are the discussions that are ongoing.

Mr McNarry: Sorry, I asked you this: have you not had an answer yet?

Ms Venning: I —

A Member: I think, Chair —

Mr McNarry: Are you not prepared to tell me whether you have had an answer yet?

The Chairperson (Mr Clarke): I am sorry —

Ms Venning: I have not. The discussions are ongoing. It is a work stream that is actively being progressed.

The Chairperson (Mr Clarke): David, I know that you are following a particular line of questioning. I think, Sara, it is not unreasonable to ask that. If you have been in negotiations with outside contractors in another region, if they were prepared to do it, how soon could they take it up? I think that that is a fair question.

Ms Venning: I know, and fair enough. I am not at that stage, so I have not found the resource —

The Chairperson (Mr Clarke): So you have not found a resource.

Ms Venning: — and got to the point where I am saying, "How quickly can you be here?" So, in terms of tankers of water, we got to that point and we know how much it would cost us, how long it would take them to come across on the ferry, but that is alternative water and, if this went on, we would want to find a means so that customer supplies were not interrupted.

The Chairperson (Mr Clarke): Really, the answer that you should be giving David is that you have not got anyone secured as yet, so you cannot give us a time.

Ms Venning: No.

The Chairperson (Mr Clarke): Right, OK.

Mr McNarry: Thanks, Chairman.

Ms Venning: Thank you.

Mr McNarry: A family in the area contacted me last night and asked me to ask you who is in charge of water today. Is it the company or the unions?

Ms Venning: I think it is the company.

Mr McNarry: You think it is the company.

Ms Venning: It is the company.

Mr McNarry: It is the company.

Ms Venning: It is the company.

Mr McNarry: OK. I will be able to pass that on to them.

There are well-placed media reports this morning informing the public of a final deal put to the unions last evening. Does that deal include concessions to those workers on pensions?

The Chairperson (Mr Clarke): David, we are now straying into an area where we are talking about the detail of negotiations, and I think that we need to stay away from that.

Mr McNarry: Let me argue my case, Chairman.

The Chairperson (Mr Clarke): I am ruling —

Mr McNarry: I do not want to hear about this tomorrow; we are not going to have a Committee meeting until next week.

The Chairperson (Mr Clarke): I am ruling that we are not going to get into the detail of the negotiations.

Mr McNarry: So you are protecting them.

The Chairperson (Mr Clarke): No I am not.

Mr McNarry: Yes you are.

The Chairperson (Mr Clarke): I am protecting the 7,500 people who have been without water over the weekend. I am trying to assist the Department and NI Water to bring about a resolution of this and restore the supply.

Mr McNarry: OK.

The Chairperson (Mr Clarke): We are not going to go into the detail of what the negotiations are about.

Mr Dallat: Hear, hear.

Mr McNarry: Well, that is unfortunate.

Yes: "Hear, hear." You back them.

Mr Dallat: I am backing the 7,000 people who have no water.

Mr McNarry: Yes, yes.

Sara, you said previously that dialogue with the union has been ongoing for 18 months. Yet your company allowed a situation to run it into the ground, causing absolutely appalling hardship to over 9,000 households, which could mean up to 20,000 people. How can you stand that up this morning?

Ms Venning: I can say with great conviction that we work with the unions and that, when concerns were raised with us, we responded to them. When requests were made of us, we found ways to meet those requests. The line that it is the deferral of the pension or nothing else came just prior to Christmas. That had not been the case up until that point. In every instance when there was a request, we found a way to help alleviate that and work with the unions to set out what might be done. In some instances, it was a case of an ask that could not be given. There is a very clear Executive policy on pensions, and the removal of the pension was not an option.

Mr McNarry: Finally, the idea of a Committee like this is hopefully to be able to get some answers to help the maybe 20,000 people who have been affected by this — rather than 7,000 people — and who are asking all sorts of questions. Who do you think is at fault for those people being in the situation that they are in? How did this happen?

Ms Venning: There have been a number of circumstances. Industrial action has led to supply interruptions for customers. Breakdown of water treatment works and the lack of resource to go in and fix them has meant that customer water supplies have been interrupted.

Mr McNarry: So, despite —

Ms Venning: My focus —

Mr McNarry: Despite there having been 18 months of awareness — I do not know exactly when talks or negotiations took place; there do not seem to have been any negotiations, just talks — whoever was responsible could not have stopped this. Is that what you are saying? If that is why we ended up in this situation, I come back to my question: who is at fault, given that everybody knew that pensions were the big demand and were, as has been proved, likely to result in a work to rule, or work to normal hours?

Ms Venning: The focus for me and my team is on getting customer supplies back on.

Mr McNarry: It is the same focus for everybody; I understand that.

Ms Venning: My focus has not been on who is at fault. My focus has been on how we find a way, with the unions, to ensure that Northern Ireland has full access to its drinking-water supply and how we find a way, with our own staff —

Mr McNarry: We are likely to find out who is at fault following the Minister's review. That will tell us.

Minister, I am very grateful that you are here and for your time. You will know that I am not comfortable with this. You and I have known each other over a long time, and I can think of many situations where we would go over the ditch together, but I would not go over the ditch with you on this one, and I think you know that.

Mr Kennedy: At least I now know what I suspected.

Mr McNarry: It shows the high degree of the integrity of our friendship that you would know that.

Mr Dallat: Would either of you go over the ditch?

Mr McNarry: I do not think that you would be going over any ditch with us, John.

The Chairperson (Mr Clarke): Right, members, we will stick to the questions.

Mr McNarry: Minister, you may argue that none of this is your fault. I think that fault is a high element in the public interest, because that will be what the inquest will focus on. This happened under your watch. People have, as you heard, been subjected to unbearable stress and unacceptable hardship. The people who have contacted me have been young families, pensioners, farmers and, as we heard, businesses. They all feel that they have been treated badly. They feel let down, abandoned, bewildered and, above all else, they are angry. Those people who have been in contact with me are despondent. I have to put it to you that, under your responsibility, a situation was allowed to happen and, subsequently, deteriorate. Will you give this Committee and the people I am referring to, who are suffering, a good reason why you have not resigned from your office?

Mr Kennedy: Thank you, Mr McNarry, for your contribution. We had some wind of your view through the public media, so it is of no great surprise. As Minister, my focus throughout has been the misery that has been inflicted upon the people you mentioned. That is where my focus remains. Aside from the issue of political argy-bargy, I am more interested in making sure that we get a resolution to this issue. I say that to you respectfully, and I hope that everyone is working to the same end.

I believe that I have discharged my responsibilities responsibly and fully. I also believe that I have had an active engagement and interest in this issue from day 1. That continues to be the case. I have not sought to hide or to run for cover, to seek the protection of others or push others to a microphone or whatever. That is not my nature, and I think that you know me well enough to accept that. I believe that I have discharged my responsibilities, but those responsibilities are not yet completed and will not be completed in respect of this issue until this dispute is resolved and water is restored as it should be to every household and business in this Province.

Mr McNarry: Thank you for that, Minister. I appreciate what you are saying. We have a difference in opinion. I have lost confidence in your ability as a Minister.

Finally, was yesterday the only time that you stepped in and issued an ultimatum to the company and the union?

Mr Kennedy: No. In all my discussions, even from the first opportunity and engagement that I had with the trade unions and, indeed, with the company on the issue, I was absolutely clear and seized of the importance of it because I knew the potential impacts. I realised —

Mr McNarry: Would it be right to say that, if you had given previous ultimatums, which you are suggesting, they ignored those ultimatums and, perhaps, you had been forced into a position where yesterday was a final ultimatum?

Mr Kennedy: We need to wait to see the outcome of today. My focus throughout, from the earliest, has been to resolve this issue as quickly as possible, not just in December with that early engagement with trade unions and the company, not just in the run-up to Christmas with contact that led to the protocol being put in place, which, at least, gave some relief in the circumstances, and not least through the period of January that we have come through. I have been dedicated to this, as you would expect me to be, as the Minister for Regional Development. That is what I will continue to work at until this is successfully and satisfactorily resolved.

Mr McNarry: Finally, your permanent secretary, Mr May, said earlier in answer to one of my questions that the Department's stance on pensions was clearly not to make any concessions. Can I ask you, as Minister, is that your position today?

Mr Kennedy: It is my position, and it is the position of the Executive.

Mr McNarry: Thank you.

Mr Lynch: I just want to come back briefly to the private-versus-public issue. Why? Because it has been east versus west. Now, this has come to light. Why is there a private-service company in the east and it is public in the west? I think that it needs greater explanation.

Ms Venning: At a time, some years ago and before my time in NI Water, a number of water treatment works required significant capital investment. They required a lot of money to be spent on them to make sure that their output was to drinking-water standards. The drinking-water quality standards had increased. Significant investment was required in order to do that. The Government at the time could not afford it and set up these public-private partnerships. That capital investment came from outside of government. They refurbished the water treatment works, and long-term contracts were put in place for the water to be procured. That is what exists at the minute. The largest of those is very firmly in the east. Some of these do feed into the north-west on a smaller scale. There are five of these works around Northern Ireland. The largest one is indeed feeding water into the east.

Mr Lynch: How long are those contracts for?

Ms Venning: They are 25-year contracts. We are —

Mr McAleese: We are about five years into the contracts.

Mr Lynch: Has that process of PPPs ended now?

Ms Venning: Those contracts were set up, and there are no plans for further contracts.

The Chairperson (Mr Clarke): Sara, can I take you back to something? We touched earlier on the workforce of 1,260, and 700 of them are taking industrial action. Given one of your answers, and it is just dawning on me now, I take it that the 1,260 that you are talking about is the whole workforce.

Ms Venning: Yes, it is.

The Chairperson (Mr Clarke): Of the 700 who are out on industrial action, how many are actually industrial staff?

Ms Venning: I think that what I said was that there are over 700 union members. This industrial action has been taken by the Water Group of Trade Unions, which comprises three unions: NIPSA; Unite; and GMB. Our industrial workforce is in the region of 500. Almost all of those 500 will be in a union, but not exclusively all of the 500.

The Chairperson (Mr Clarke): OK. And all of the 500 are taking industrial action.

Ms Venning: Well, the ballot was very strongly supported.

The Chairperson (Mr Clarke): No, but are all of the 500 on industrial action?

Ms Venning: There will have been some who worked. We do not necessarily have a roll call. You cannot. You do not have a roll call for everyone who said, "Yes, I am taking action" or, "I am not". Some people have worked.

The Chairperson (Mr Clarke): Well, I would have expected you to know how many are actually part of the industrial action or otherwise. So, how many of the 500 industrial staff would actually have been doing the flexible working?

Ms Venning: On-call arrangements?

The Chairperson (Mr Clarke): Yes.

Ms Venning: There are — well, there were — 61 on-call rotas for the industrial staff, and non-industrial staff had in and around 30 rotas across the company. Remember that our activities cover water production, waste water treatment, M and E —

The Chairperson (Mr Clarke): So, are we talking about a total staff of 91 who are doing the flexible working?

Ms Venning: No, no; those are the rotas. Each rota will be populated by a team of people.

The Chairperson (Mr Clarke): So, how many people are we talking about?

Ms Venning: Across the company, you are talking hundreds.

The Chairperson (Mr Clarke): How many?

Ms Venning: I do not have those figures.

The Chairperson (Mr Clarke): Could you get us those figures? OK. Joe, did you want back in?

Mr Byrne: Not really, Chairman.

The Chairperson (Mr Clarke): OK. Minister and your team, thank you for coming today. Summing up where David was at about the blame game, it is not about the blame game really at the moment. I think we will have our time for that, maybe in the next couple of weeks if you get a resolution. What all of us want round this table — you included, I am sure — is to see water restored to everyone with no interruption and people back to work. However, I will be critical: the contingencies between you and the Department have not been adequate where you have a situation, particularly in rural areas, where, as I said earlier, people are isolated, water bowsers are frozen and roads are not gritted. Really, Minister, when you have commissioned a piece of work on NI Water, I think that you should have an independent review of your organisation from yourself down to find out how your organisation could have worked more effectively and whether your contingencies for this crisis were up to scratch or otherwise. This is one of those cases when I will get the last say. You got the last say yesterday. Thank you very much.