

How can the failure of English water companies be addre...

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The Guardian has [an article addressing the above issue today](#) in which they look at alternatives to private ownership of the U.K. water supply and sewage system. I have this rather long section within it:

Richard Murphy, of the Corporate Accountability Network and Sheffield University, argues the water companies are in effect environmentally insolvent because they do not have the financial means to raise the £260bn needed to stop their sewage dumping, according to a House of Lords assessment. Therefore no compensation is due to shareholders, or to those who lent money to the companies.

But Murphy said in order to be pragmatic, a small offer to shareholders and a reasonable offer to secured creditors would be required to take the companies back into public control using the special administration rules.

The cost of nationalisation would run into billions – all of which could be paid for by the issue of government bonds.

To raise capital for the future of the publicly owned industry, the public could be offered the chance to buy a bond paying 4% or more in the long term to last for at least 70 years. For the first 15 years the return would be guaranteed by the government, encouraging the public to buy the bonds at scale and fund much of the required investment the industry needs over time.

I think one thing is clear from the article and that is that the survival of the UK's privatised water companies is in serious doubt.