

Will Thames Water finally force Labour to address the n...

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As The Telegraph notes in an email this morning:

Thames Water took a further step towards nationalisation after shareholders said they would not provide it with a £500m lifeline.

The troubled utility company was told it had not satisfied the conditions to receive the first tranche of support outlined as part of its three-year turnaround plan.

It had been expecting the half a billion pound payment by March 31, but shareholders said they would not provide the cash as the regulatory requirements on the company make it “uninvestible”.

I believe those shareholders. I think they are right. Thames Water and the whole of the English water industry, is uninvestable. I made that case in [a report that I published last summer](#), suggesting not just that this sector was in financial trouble, largely because of increased interest rates, but that it was also environmentally insolvent, because there was no practical possibility that it could adapt to the requirement that they both deliver clean water and clean rivers and beaches while simultaneously meeting net-zero targets.

My estimate was that this industry was not just a little short of the funding that it needed. Instead I suggested that it might be as much as £250 billion short of the money required to achieve these goals. The analysis was based upon official information produced for the government and commented upon in House of Lords reports.

It is, in that case, time for any government, including the one that we have in waiting, to wake up and smell the coffee. The idea that water can continue to be supplied by private companies seeking to make a profit from this activity is now so absurd that it must be consigned to history as one of the greatest follies of privatisation, ever. They should also acknowledge the enormous price that we have paid for this folly, represented in no small part by the vast quantities of human waste that now pollutes so many of our waterways and beaches.

However, can we really expect any such acknowledgement from the Conservatives? Frankly, I doubt it.

Can we also honestly expect Labour to admit that nationalisation might be an answer to a question, given its current heavily pro-neoliberal stance? Similarly, I cannot.

In that case, I have a horrible fear that both the Tories and Labour to come, will continue to pour money into absolutely useless franchise water operations that seemingly exist solely to reward the directors and shareholders of these operations for precisely no value added, and a complete lack of understanding or wisdom on their part.

That said, the crisis that is obviously unfolding at Thames Water provides a very clear litmus test for Labour. Will it, as I am expecting, stick to dogma over need? Or might it be that they finally come to terms with reality and realise that there is a role for the state? Their reaction to this issue might tell us what the answer to that question is.

I am not living in hope.