

Labour's solution to the water industry crisis is to do...

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The [FT carries a report](#) this morning that notes that:

Water regulator Ofwat could be overhauled or even replaced under the most far-reaching review of the industry since it was privatised 35 years ago. A new commission will carry out a “root and branch” assessment that will consider all options for the regulation of the industry, environment secretary Steve Reed said, while also declaring that the “whole water sector has failed”.

That's the good news.

And then, as the newspaper notes:

However, it will stop short of considering whether the sector should be renationalised.

And at that point, you realise three things.

The first is that Labour will do everything that is necessary to ensure that we have the clean water that we need that is essential for our survival, except to provide the only structure for its delivery that has any chance of accessing the capital that is required to make this work.

As I noted well over a year ago [in a report that I published on that sector at that time](#), official reports written in 2021 suggested that the sector required more than £250 billion of investment to deliver clean water, without taking net zero obligations into account. That sum is bound to have increased significantly since then. There is no way on earth that the private sector is going to deliver that. But nationalisation is not allowed. So, the shit will carry on, in other words.

Second, a 'not for profit' alternative will be permissible. This is absurd: how is it to pay the return on that capital investment without sending water bills through the roof? Does Labour have the slightest idea about anything to do with economics?

Third, I noticed that Guardian is leading the cheerleaders for privatisation this morning,

with the ever more extreme Nils Pratley [demanding that all water companies be returned to the stock exchange](#), where he claims they have performed best. I can only hope that he does not get Larry Elliott's job when he retires soon: that would mark the end of the neoliberal takeover of that paper.

The reality is that water is literally fundamental to life.

The reality is that no one but the UK and Chile has tried to make it into a market-delivered resource.

And the reality is that attempts to privatise it have failed utterly, as Steve Reed has admitted.

There is only one solution to this problem, though, and that has been taken off the table. Labour will not do nationalisation. That literally defines them as an existential threat to our well-being.