Thames Water: An Emergency Motion

Labour International notes that:

1. Andy Burnham has pledged to reverse 40 years of neoliberalism and criticised the ideological privatisations introduced under Margaret Thatcher. He has stated that, in the case of Thames Water, public ownership is "what should be done".

2. Thames Water, a company responsible for providing an essential public service, has accumulated approximately £20 billion in debt while presiding over repeated failures in infrastructure investment, customer service and environmental protection.

3. A consortium of major creditors and financial investors, operating under the name London & Valley Water (L&VW), including Elliott Management, Silver Point Capital and Apollo Global Management, is seeking to take control of Thames Water through a multibillion-pound restructuring proposal.

4. The consortium's proposal involves substantial debt write-offs and new investment in return for concessions on environmental obligations and regulatory penalties, potentially weakening protections against sewage pollution and allowing the company to remain in private hands.

5. The Environment, Food and Rural Affairs Select Committee (EFRA), a cross-party committee of MPs, has called on the government to reject the proposed arrangement and consider placing Thames Water into a Special Administration Regime (SAR), providing a route towards temporary public control.

Labour International believes that:

6. Water is an essential public service and should be managed in the interests of the public, rather than the financial interests of private creditors, hedge funds and investors.

7. The Thames Water crisis demonstrates the fundamental failures of water privatisation, where excessive debt, inadequate investment and the pursuit of financial returns have taken precedence over the interests of consumers and the environment.

8. Temporary public administration should be the first step towards establishing permanent public ownership and democratic accountability.

Labour International therefore calls on the government to:

9. Reject the proposed London & Valley Water restructuring arrangement and place Thames Water into a Special Administration Regime as the first step towards bringing the company into public ownership.

10. Ensure that the future management of Thames Water prioritises investment in infrastructure, affordable water bills, environmental protection and the elimination of sewage pollution.

11. Establish Thames Water as a publicly owned utility, accountable to the public and operating in the interests of consumers and the environment, rather than private financial investors.