

Thames Water

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Council notes that:

- Between 2010 and 2018, under the Coalition and subsequent Conservative Governments, funding for Ofwat - the regulator of water companies - **reduced by over 25% in real terms;**
- Between 2010 and 2018, under the Coalition and subsequent Conservative Governments, funding for the Environment Agency - the environmental pollution watchdog - **was cut by more than 50% in real terms;**
- The current Labour Government has a) introduced legislation which for the first time blocks bonuses to executives of water companies responsible for polluting UK rivers; b) handed the Environment Agency its largest ever yearly budget of more than £189 million to tackle polluting water firms; c) presided over the largest fine ever administered to a water company (Thames Water) for environmental breaches and unjustified dividends; and d) launched the Independent Water Commission under Sir Jon Cunliffe to explore long-term reform of the water industry, which has just advised the scrapping of Ofwat and fundamental reform.
- The Water Act 1989, which privatised existing water authorities and was opposed by both the Labour Party and the Liberal Democrats, made England and Wales the only countries in the world with a fully-privatised water and sewage disposal system;
- Despite the government writing off the debts of the water authorities and injecting over a billion pounds of public money into the new private companies, those companies had, by 2024, accumulated £60 billion of debt whilst paying out £78 billion in dividends;
- Thames Water is the worst performing water company according to the Consumer Council for Water;
- After securing a £3 billion 'rescue loan' at an interest rate of 9.75% earlier this year - despite a legal challenge led by Liberal Democrat MP, Charlie Maynard - Thames Water's debts stand at over £19 billion, the highest of any UK water company;
- In May 2025, Thames Water was hit with £123 million in fines from Ofwat – the largest ever administered -, including £104 million for environmental breaches involving sewage spills and £18 million for paying out unjustified dividends;
- Thames Water has been allowed dispensation to increase customer bills by 35% by 2030, despite its poor performance;
- Thames Water currently loses around one quarter of its drinking water through leaks in its own system, and leaks are frequently not properly repaired;
- Water companies dumped raw sewage for a record time of 3.61m hours into seas and rivers in England in 2024, according to data from the Environment Agency;
- Thames Water has paid out millions of pounds in bonuses to its executives in recent years, and Adrian Montague, the company's Chairman, recently told the Environment, Food & Rural Affairs Select Committee that "we have a bonus scheme to protect our most precious resource, which is the senior management team."

Council believes that:

- The Labour Government faces a generational challenge to bring investment in public services up to a standard that meets increased need and demand for services across the UK;

- The Government has inherited failing industries across Steel, Rail, Energy and Water and has taken radical steps to protect jobs and consumers and improve standards.
- The way water companies have essentially been asset stripped by investors is a national scandal;
- The crisis at Thames Water is the result of over a decade of profiteering, underfunded regulation, poor management and a direct consequence of water companies being allowed to prioritise dividends and debt over investment and resilience;
- The privatised water model in England and Wales - unique in the world - has failed. It has enabled companies to load up on unsustainable debt while stripping out value, leaving customers with higher bills, broken infrastructure, and polluted rivers;
- The government's Water (Special Measures) Bill was a welcome first step in strengthening the regulator and blocking bonuses for executives who pollute the UK's waterways, ~~but did not go far enough;~~
- Ofwat should be replaced with a far stronger regulator, which is needed regardless of whether companies are public or privately run;
- Creditors ~~not~~ customers ~~must~~ must bear the costs of failure. Any rescue of Thames Water must be on terms that prioritise customers, public health, and environmental standards and not the financial returns of investors. Its future ownership and governance model must reflect those priorities; ~~should bail out any water company which enters special administration;~~
- The government should not support Thames Water's efforts to apply for more loans unless it can guarantee that the taxpayer will not end up being liable for repayment further down the line;
- Proposed bill hikes are totally unjustifiable given both Thames Water's dreadful performance and the cost-of-living crisis severely impacting Haringey residents;
- The continuing failure of Thames Water to properly address leaks, resulting in days of road closures around the borough as the same problems are patched again and again instead of solved, or repair sites are left unattended by Thames instead of being prioritised for fixing and reopening, is unacceptable;
- Thames Water management's attitude to billpayers is contemptible, and no executive should receive bonuses whilst the company they run's performance is so poor.

Council resolves to:

- Declare that it has no confidence in Thames Water;
- Write to the ~~government~~ Secretary of State for Environment outlining the impact Thames Water's ~~low-dire~~ performance, sewage mismanagement and unacceptable bill hikes ~~and high bills~~ are having on Haringey residents, ~~and requesting that Thames Water is put into Special Administration in order to write down its unsustainable debts and protect billpayers;~~
- Call on the Government to place Thames Water into Special Administration to enable the writing down of unsustainable debts and to protect customers from bearing the cost of corporate failure;
- Request that government scraps the private ownership model with a single operator per area for water companies, replacing it with either public or mutual companies, and including customers, employees and environmental experts on boards.
- Express the Council's strong support for nationalisation - rejecting the current system of private monopoly provision, towards one that puts the public first, prioritises long-term investment, environmental protection, and meaningful accountability to customers and communities, including through representation on company boards;

- Express categorical opposition to the payment of unjustifiable bonuses to Thames Water executives until such time the company has made measurable progress on basic performance and environmental standards;
- Write to Thames Water in relation to ongoing leaks and pollution incidents across Haringey, demanding a clear timetable for repairs and resolution at these sites, and better communication with affected residents.
- State unequivocally that Haringey residents must not be made to pay for the failures of Thames Water or the wider privatised water system;
- Reject the proposed 35% increase in customer bills by 2030 to buttress a record of failure, and call for any restructuring plan to put the interests of customers and communities first, not the rescue of a failed model at public expense.
- Call on the Government to scrap Ofwat and replace it with a new regulator – one that is properly funded and properly resourced to hold water companies accountable for the myriad of failings which have been allowed to spread within the sector;
- Welcome the recommendations made by Sir Jon Cunliffe to radically overhaul the sector, recognising it as a once-in-a-generation opportunity to deliver a system that works for people and the environment;
- Commend the decisive action the Government has already taken to transform our water system, including legislating to ban bonuses, introducing prison sentences for polluting water bosses, launching a record number of criminal investigations, securing £104 billion of private sector investment to repair and modernise the UK's water infrastructure, and launching the Independent Water Commission.