# London & Valley Water submits plan to revolutionise Thames Water’s future



A consortium of investors known as London & Valley Water has submitted an ambitious rescue plan aimed at transforming Thames Water and averting its nationalisation. The plan’s core objectives include fixing operational foundations, reducing pollution, and rebuilding public trust, with the goal of making Thames Water a more reliable, resilient, and responsible utility by the end of this decade.

The proposal involves a substantial financial restructuring intended to stabilise Thames Water’s battered finances and drive substantial improvements in its environmental performance. According to the consortium, the plan calls for writing off a significant portion of Thames Water’s debt—figures vary slightly across sources, with some reports citing a debt write-off of approximately £4 billion, while others mention a more extensive figure around £7.5 billion depending on debt class. In addition, the plan includes a fresh injection of equity investment, with values ranging from £1 billion to over £3 billion, aimed at funding essential upgrades and operational enhancements.

Beyond the immediate financial remedies, London & Valley Water have committed to not selling the company before March 2030, signalling a long-term investment horizon intended to provide stability and reassurance to regulators, customers, and other stakeholders. This commitment also reflects an intent to rebuild public trust, which has been severely dented by past mismanagement and operational failures.

The consortium’s turnaround plan goes beyond financial restructuring. It sets out a comprehensive performance improvement agenda worth approximately £20.5 billion, focused on infrastructure upgrades, particularly targeting high-pollution sites to drastically reduce sewage spills. The plan also emphasises building greater resilience against future challenges such as extreme weather conditions and growing population pressures in the London area. Central to the strategy is the goal of cleaning up waterways, maintaining high-quality drinking water standards, and significantly cutting environmental damage.

The initiative comes as Thames Water has faced intense scrutiny and rising regulatory pressure, including fines over pollution incidents. London & Valley Water have indicated their intention to fully pay these fines as part of their commitment to environmental accountability.

The proposal is currently under review by Ofwat, the water services regulator in the UK, and requires approval from the High Court to be implemented. Ofwat’s assessment will be crucial, as the regulator must determine whether the rescue plan represents a sustainable pathway forward that serves both the public interest and environmental standards without necessitating government bailouts or taxpayer funding. The consortium has positioned the plan as a market-led solution that seeks to stabilise the company without public financial support.

Overall, London & Valley Water’s plan to transform Thames Water represents a significant effort to address long-standing issues and deliver both financial resilience and improved environmental performance over the coming years. Should it receive regulatory and judicial endorsement, it would mark a pivotal step in the future of one of the UK’s largest water utilities.

### 📌 Reference Map:

* Paragraph 1 – [[1]](https://www.standard.co.uk/business/business-news/ofwat-london-kkr-high-court-government-b1250839.html), [[4]](https://www.globenewswire.com/news-release/2025/10/02/3160094/0/en/London-Valley-Water-submits-ambitious-plan-to-transform-Thames-Water-for-customers-and-the-environment-and-deliver-long-term-financial-resilience.html), [[5]](https://www.londonandvalleywater.com/)
* Paragraph 2 – [[2]](https://www.standard.co.uk/business/business-news/ofwat-london-kkr-high-court-government-b1250839.html), [[3]](https://www.reuters.com/sustainability/land-use-biodiversity/uk-thames-water-investor-group-submits-turnaround-plan-2025-10-02/), [[7]](https://www.lse.co.uk/news/thames-water-lenders-propose-new-rescue-deal-to-prevent-collapse-czwnfop1tp8usa8.html)
* Paragraph 3 – [[5]](https://www.londonandvalleywater.com/), [[6]](https://www.globenewswire.com/news-release/2025/09/03/3143647/0/en/New-20-5bn-Performance-Improvement-and-Turnaround-Plan-to-transform-Thames-Water-s-operations-for-customers-and-the-environment.html), [[4]](https://www.globenewswire.com/news-release/2025/10/02/3160094/0/en/London-Valley-Water-submits-ambitious-plan-to-transform-Thames-Water-for-customers-and-the-environment-and-deliver-long-term-financial-resilience.html)
* Paragraph 4 – [[6]](https://www.globenewswire.com/news-release/2025/09/03/3143647/0/en/New-20-5bn-Performance-Improvement-and-Turnaround-Plan-to-transform-Thames-Water-s-operations-for-customers-and-the-environment.html), [[3]](https://www.reuters.com/sustainability/land-use-biodiversity/uk-thames-water-investor-group-submits-turnaround-plan-2025-10-02/), [[1]](https://www.standard.co.uk/business/business-news/ofwat-london-kkr-high-court-government-b1250839.html)
* Paragraph 5 – [[2]](https://www.standard.co.uk/business/business-news/ofwat-london-kkr-high-court-government-b1250839.html), [[5]](https://www.londonandvalleywater.com/), [[3]](https://www.reuters.com/sustainability/land-use-biodiversity/uk-thames-water-investor-group-submits-turnaround-plan-2025-10-02/)
* Paragraph 6 – [[1]](https://www.standard.co.uk/business/business-news/ofwat-london-kkr-high-court-government-b1250839.html), [[2]](https://www.standard.co.uk/business/business-news/ofwat-london-kkr-high-court-government-b1250839.html), [[5]](https://www.londonandvalleywater.com/)

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## Bibliography

1. <https://www.standard.co.uk/business/business-news/ofwat-london-kkr-high-court-government-b1250839.html> - Please view link - unable to able to access data
2. <https://www.standard.co.uk/business/business-news/ofwat-london-kkr-high-court-government-b1250839.html> - A group of Thames Water investors, known as London & Valley Water, has proposed a rescue plan to prevent the company's nationalisation. The plan includes writing off £4 billion of debt, injecting an additional £1 billion in investment, and committing to not sell the company before March 2030. The proposal aims to stabilise Thames Water's finances and improve its operational performance, with a focus on reducing pollution and rebuilding public trust. The plan is currently under review by the regulator, Ofwat, and requires High Court approval.
3. <https://www.reuters.com/sustainability/land-use-biodiversity/uk-thames-water-investor-group-submits-turnaround-plan-2025-10-02/> - Senior creditors of Thames Water, including the London & Valley Water consortium, have submitted a financial rescue plan to avert the company's nationalisation. The plan proposes writing off £7.5 billion in debt, injecting £3.15 billion in equity, and freezing dividends during the turnaround. It also includes full payment of existing fines and a commitment not to sell the company before March 2030. The proposal is under assessment by the regulator, Ofwat, and requires High Court approval if accepted.
4. <https://www.globenewswire.com/news-release/2025/10/02/3160094/0/en/London-Valley-Water-submits-ambitious-plan-to-transform-Thames-Water-for-customers-and-the-environment-and-deliver-long-term-financial-resilience.html> - London & Valley Water has submitted an ambitious plan to transform Thames Water, focusing on fixing the foundations, reducing pollution, and rebuilding public trust. The plan includes a £3.15 billion equity commitment, a 25% write-off of Class A debt, and a commitment not to sell the company before March 2030. The proposal aims to stabilise Thames Water's finances and improve its operational performance, with a focus on delivering value for customers and the environment.
5. <https://www.londonandvalleywater.com/> - London & Valley Water is a consortium of international and UK investors with a proven track record in infrastructure. The consortium has come together to restructure and rebuild a stronger Thames Water with a market-led solution that avoids the need for any taxpayer funding or Government support. The proposed plan focuses on fixing the foundations, reducing pollution, and rebuilding public trust to make Thames Water a reliable, resilient, and responsible company by the end of the decade.
6. <https://www.globenewswire.com/news-release/2025/09/03/3143647/0/en/New-20-5bn-Performance-Improvement-and-Turnaround-Plan-to-transform-Thames-Water-s-operations-for-customers-and-the-environment.html> - London & Valley Water has submitted a £20.5 billion Performance Improvement and Turnaround Plan to transform Thames Water's operations. The plan includes significant investment in existing waste and water assets, upgrades to high-pollution sites to reduce sewage spills, and measures to build resilience against extreme weather and population growth. The proposal aims to deliver a step-change in customer service and environmental outcomes, with a focus on cleaning up waterways, maintaining high-quality drinking water, and reducing pollution.
7. <https://www.lse.co.uk/news/thames-water-lenders-propose-new-rescue-deal-to-prevent-collapse-czwnfop1tp8usa8.html> - A group of Thames Water lenders has proposed a new rescue deal to prevent the company's collapse. The plan includes writing off £4 billion of debt, injecting an additional £1 billion in investment, and committing to not sell the company before March 2030. The proposal aims to stabilise Thames Water's finances and improve its operational performance, with a focus on reducing pollution and rebuilding public trust. The plan is currently under review by the regulator, Ofwat, and requires High Court approval.