

By email: SESRO@ipsos.com

13 January 2026

Dear SESRO statutory consultation team,

I am writing to you regarding the planned South East Strategic Reservoir Option (SESRO), proposed at Abingdon, Oxfordshire.

BusinessLDN is a business campaigning group with the mission to make London the best city in the world in which to do business, for the benefit of the whole UK. We convene and mobilise business leaders to tackle the key challenges facing our capital. We have around 170 members from a wide range of sectors, including the water sector. Thames Water is one of our members.

By 2043, the population of London is expected to reach 9.8 million people, an increase of 800,000 people when compared with 2021.¹ This projected growth is evidence of the capital's continued attractiveness as one of the world's leading global cities. Yet, as it grows, the capital's water infrastructure continues to come under strain. If a growing London is to fulfil its economic potential for the whole of the UK, the city will require significant investment in new water supply infrastructure, much of which is already operating at, or near to, capacity. Measures to bear down on overall water demand can only go so far in addressing long-term water scarcity without parallel investments in supply and resilience. We firmly believe the SESRO will play an important role in delivering that solution.

Business resilience and economic growth

London is responsible for a quarter of the UK's economy², home to world-beating universities and a hub for high-growth, innovative companies with more unicorns – start-up companies worth over \$1 billion – than any other city in Europe.³ The capital is where businesses come to find talent and people come to find opportunity.

London consistently ranks as having the highest number of businesses per 10,000 resident adults across all UK countries and English regions.⁴ As of early 2024, London had approximately 1,370

¹ Greater London Authority, London Datastore (2025) <https://data.london.gov.uk/blog/gla-2024-based-population-projections-research-outputs/#:~:text=Some%20headline%20results,the%20same%20set%20of%20assumptions.>

² Department for Culture Media and Sport, DCMS sectors economic estimates (2025) <https://www.gov.uk/government/statistics/dcms-sectors-economic-estimates-regional-gva-2023/dcms-sectors-economic-estimates-regional-gross-value-added-2023>

³ London and Partners (June 2022) <https://www.londonandpartners.com/newsroom/news-and-communications/london-retains-its-crown-as-a-world-leading-startup-hub>

⁴ Department for Business and Trade (October 2025) [https://www.gov.uk/government/statistics/business-population-estimates-2025/business-population-estimates-for-the-uk-and-regions-2025-statistical-release#:~:text=Further%20information%20on%20regional%20trends%20is%20in,business%20density%20rates%20compared%20to%20England%20\(1%2C062\)](https://www.gov.uk/government/statistics/business-population-estimates-2025/business-population-estimates-for-the-uk-and-regions-2025-statistical-release#:~:text=Further%20information%20on%20regional%20trends%20is%20in,business%20density%20rates%20compared%20to%20England%20(1%2C062))

businesses per 10,000 adults, significantly higher than the UK average of 996.⁵ Every one of these businesses depends on reliable water supplies for everyday operations, sanitation, cooling, and production, which in turn rely on reservoir infrastructure.

Water and wastewater infrastructure are also critical enablers of future economic growth. Without adequate planning for water security, London will not be able to deliver the new housing it so badly needs, nor maximise the growth opportunities from vital growth sectors. Investment in new water resources – of which the SESRO is a key component – will be critical to underpinning London's long-term economic growth, environmental sustainability, and business resilience.

The need for a new reservoir for London and the South East

London and the South East are among the most water-stressed regions in England. The summer of 2025 was the hottest on record and, within the Thames Water region, rainfall during the summer months was less than half of the long-term average.⁶ In addition, Thames Water forecasts indicate that an additional one billion litres of water per day will be required to meet customer demand by 2050.⁷ Hotter, drier summers and an increased frequency of drought events are now expected to be a persistent feature of the climate in London and the South East.

Prolonged droughts increase the risk of water shortages, which could have serious consequences for both residents and businesses.⁸ The Greater London Authority's 2024 London Climate Resilience Review ranked heat and drought as one of the top risks facing the capital and its businesses. The review stated that the worst droughts could be economically disastrous, costing London's economy as much as £500 million per day.⁹

At the same time, there is limited scope to increase abstraction from rivers and groundwater to address water supply challenges, without causing unacceptable environmental impacts. The SESRO would provide a large, reliable source of stored water that can be used during prolonged dry periods when rivers and aquifers are under the greatest stress. By capturing water during wetter periods and storing it for use during droughts, the reservoir would reduce reliance on unsustainable abstractions and help protect the environment and nature.

The SESRO would also provide a secure and reliable water supply for approximately 15 million people across the South East of England region, supporting households and businesses and future generations.¹⁰ The project would ensure water is available at times of greatest need,

⁵ Money.co.uk, UK business statistics (2025) <https://www.money.co.uk/business/business-statistics#:~:text=Which%20area%20of%20the%20UK,all%20businesses%20in%20the%20region.>

⁶ Met Office (September 2025) <https://www.metoffice.gov.uk/about-us/news-and-media/media-centre/weather-and-climate-news/2025/summer-2025-is-the-warmest-on-record-for-the-uk>

⁷ Thames Water, Water Resources Management Plan (2024) <https://www.thameswater.co.uk/news/2024/oct/thames-water-publishes-its-water-resources-management-plan>

⁸ London Climate Resilience Review (2024) https://www.london.gov.uk/sites/default/files/2024-07/The_London_Climate_Resilience_Review_July_2024_FA.pdf

⁹ Ibid.

¹⁰ Thames Water, South East Strategic Reservoir Option (2025) <https://thames-sro.co.uk/projects/sesro/>

reducing the risk of disruption to economic activity in the most economically productive part of the UK. It would also provide resilience against low-probability but high-impact drought events, helping to safeguard millions of people from the impacts of water scarcity over the very long term.¹¹

It is also important that the plans for the reservoir are developed in a way that minimises, as far as reasonably possible, the impacts on local communities, wildlife and the environment before, during and after construction. Many of these measures are outlined as part of early design work, assessments and consultation proposals, and will be formalised further in planning documents such as the Code of Construction Practice once the project enters the detailed planning and consenting stages.

Supply chain and skills

In addition to strengthening water security and supporting the wider economy, a project of the scale represented by the SESRO offers a significant opportunity for businesses across the UK through job creation and supply-chain activity.

With an estimated investment of between £5.5 and £7.5 billion, the project will generate opportunities for suppliers, contractors and service providers throughout the reservoir delivery period. Businesses of all sizes will have access to the supply chain, with major contracts for materials and services awarded across the UK. The project will create jobs and apprenticeships for local people and open opportunities for local businesses. Thames Water estimates that more than 1,000 jobs will be directly generated through construction, supporting the objectives of the UK Government's 'Construction Skills Mission Board'.¹²

Summary

The delivery of the SESRO is vital to the future growth of London and, by extension, the UK economy. While it is essential that the project is delivered in a way that supports local communities and minimises adverse impacts, its long-term objectives – relieving growing pressure on water resources in a sustainable and environmentally responsible manner – are well founded. The SESRO will play a crucial role in mitigating the impacts of drier periods and droughts, while strengthening long-term water security to underpin future business growth and economic resilience in London and across the UK.

For any questions on the contents of this submission, please contact John Kavanagh, Programme Director, Infrastructure: e: john.kavanagh@businessldn.co.uk m:07852 030 305.

Yours sincerely,
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¹¹ Ibid.

¹² Thames Water, South East Strategic Reservoir Option (2025) <https://thames-sro.co.uk/projects/sesro/>