# London faces £968bn shortfall unless funding model for infrastructure is overhauled



Infrastructure is at the heart of London’s sustainable growth, the ICE argues in its Infrastructure for London report, saying the capital cannot meet the needs of current and future residents without a bold, well-funded programme of work. It cites the risk of asset underuse and premature wear, using Hammersmith Bridge as a high-profile example of how neglect can translate into disruption and cost. The report places a stark price on the city’s ambitions: £968 billion in 2018 prices would be required to meet London’s infrastructure needs through 2041. It also notes how the Covid-19 shock—reduced fare revenues, a shift toward greener travel and greater reliance on digital networks—has widened the funding gap. The piece closes, in a nod to the need for change, with a well-known maxim: Henry Ford’s warning that “If you do what you’ve always done, you’ll get what you always got.” And it points to a London City Hall analysis warning that insufficient funding for Transport for London would ripple through the economy, with potential losses of around £12 billion over the next decade if services are trimmed or degraded.

Beyond the headline figure, the question becomes how to plan and fund delivery in a coherent, long-term way. The RTPI’s planning brief for critical infrastructure in London stresses that growth must keep pace with population expansion and that planning should knit together the London Plan, the GLA and TfL, with coherent place‑making guiding utilities, transport, energy, water and digital networks. It identifies barriers that still hamper delivery—fragmented funding, data gaps and short-term decision making—and argues for stabilising funding for infrastructure planning and for aligning investment with spatial planning to realise durable, cross-cutting benefits. The Green Book appraisal framework reinforces this approach by emphasising a five‑case model that guards value for money, affordability and strategic fit, while foregrounding place-based and transformational investment and robust governance and stakeholder engagement.

The longer-term funding question is directly addressed in the London Plan’s Chapter 11, which maps the gap between what is needed for transport, housing and utilities and what commitments exist, and canvasses options beyond traditional channels. The chapter hints at devolved powers that could sharpen delivery and asks for greater clarity from Government on investment availability while exploring approaches such as land value capture and larger private sector involvement to plug the gap. It also emphasises using land and assets more efficiently, improving procurement, and aligning infrastructure delivery with place-based planning to accelerate housing, transport and energy schemes across London now. The real-world stakes behind these policy debates are illustrated by the Hammersmith Bridge story: cracks in pedestals, closures and the continuing cost of maintenance have highlighted the costs and disruption that accompany aging infrastructure, underscoring the need for resilience and sustained investment. Taken together, these strands suggest London’s infrastructure pipeline will depend on a bolder, better-coordinated funding framework that combines public subsidy with selective private capital and rigorous appraisal to avoid repeating past gambles.

### 📌 Reference Map:

* Paragraph 1 – [[1]](https://www.ice.org.uk/news-views-insights/inside-infrastructure/rolling-the-dice-why-investment-in-london-s-infrastructure-is-not-a-gamble), [[4]](https://www.london.gov.uk/press-releases/mayoral/transport-network-must-be-funded-properly)
* Paragraph 2 – [[1]](https://www.ice.org.uk/news-views-insights/inside-infrastructure/rolling-the-dice-why-investment-in-london-s-infrastructure-is-not-a-gamble), [[2]](https://www.rtpi.org.uk/policy-rtpi/2020/november/planning-for-critical-infrastructure-in-london/), [[5]](https://www.gov.uk/government/publications/the-green-book-appraisal-and-evaluation-in-central-government)
* Paragraph 3 – [[3]](https://www.london.gov.uk/programmes-strategies/planning/london-plan/the-london-plan-2021-online/chapter-11-funding-london-plan), [[6]](https://www.bbc.com/news/uk-england-london-53767214)

## Source Panel

1. ICE (Institute of Civil Engineers) — Rolling the dice: why investment in London’s infrastructure is not a gamble (Infrastructure for London report).

2. RTPI (Royal Town Planning Institute) — Planning for critical infrastructure in London (November 2020 briefing).

3. Greater London Authority / Mayor of London — The London Plan 2021 Online, Chapter 11: Funding London Plan.

4. London, City Hall — Transport network must be funded properly (briefing on TfL funding and potential economic impacts).

5. HM Treasury — The Green Book: Appraisal and Evaluation in Central Government.

6. BBC News — Hammersmith Bridge: background on the 2019 cracks and subsequent closures.

7. CBRE Investment Management — Infrastructure Quarterly (Q3 2024).

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

1. <https://www.ice.org.uk/news-views-insights/inside-infrastructure/rolling-the-dice-why-investment-in-london-s-infrastructure-is-not-a-gamble> - Please view link - unable to able to access data
2. <https://www.rtpi.org.uk/policy-rtpi/2020/november/planning-for-critical-infrastructure-in-london/> - London faces an infrastructure challenge as it grows, with the need to deliver tens of thousands of homes and substantial job space to 2041. The RTPI report notes that infrastructure must keep pace with population growth and focus on utilities, transport, energy, water and digital networks. It highlights planning's essential role in coordinating investment through the London Plan, the GLA and TfL, and emphasises the benefits of coherent place-making. Barriers include fragmented funding, data gaps and short-term decision making. The paper recommends stabilising funding for infrastructure planning, aligning investment with spatial planning, and providing London with stronger delivery levers now.
3. <https://www.london.gov.uk/programmes-strategies/planning/london-plan/the-london-plan-2021-online/chapter-11-funding-london-plan> - Chapter 11 of the London Plan addresses funding, outlining the gap between required public investment and commitments, and discussing potential sources beyond traditional channels. It notes that current funding falls short of needs for transport, housing and utilities, and that devolved powers could sharpen delivery. The Mayor seeks clarity from Government on investment availability and explores options such as land value capture and greater private sector involvement to plug the gap. The chapter also stresses using land and assets more efficiently, improving procurement, and aligning infrastructure delivery with place-based planning to accelerate housing, transport and energy schemes across London now.
4. <https://www.london.gov.uk/press-releases/mayoral/transport-network-must-be-funded-properly> - This City Hall analysis warns that insufficient funding for TfL would ripple across London's economy. If Transport for London moves to a 'managed decline' in service levels, profits and productivity fall, while road congestion and journey times rise. The briefing estimates potential losses of about £12 billion over the next decade, with downstream effects on housing delivery, employment and business confidence. It also notes that achieving carbon reduction targets would become more expensive if services are cut. The report calls for sustained public subsidy and prudent investment planning to preserve essential transport capacity and support broad economic recovery in London.
5. <https://www.gov.uk/government/publications/the-green-book-appraisal-and-evaluation-in-central-government> - The Green Book provides the government’s guidance on appraising policies, projects and programmes. It sets out the five-case business planning model used to ensure value for money, affordability and strategic fit. Updated over time, the Green Book now includes recent emphasis on place-based and transformational investment, environmental considerations and inclusive growth. Departments are encouraged to adopt proportionate analysis, risk assessment, and stakeholder engagement when selecting projects. The guidance underpins major infrastructure decisions, including transport and energy schemes, by requiring rigorous appraisal, transparent governance, and clear links between budgets and expected outcomes. It is regularly updated by HM Treasury and authorities.
6. <https://www.bbc.com/news/uk-england-london-53767214> - Hammersmith Bridge is a historic suspension bridge carrying a key arterial route across the Thames. In 2019, cracks were discovered in its pedestals, and motorists were banned from the structure in 2019. In 2020 the bridge was closed to pedestrians and cyclists as cracks worsened in a heatwave, triggering major disruption around west London. Engineering work later enabled partial reopening to non-vehicular users, with further measures and funding decisions ongoing. The incident illustrates London's aging infrastructure and the high costs of failure or delayed maintenance, underscoring the need for strategic investment and resilience planning.
7. <https://www.cbreim.com/insights/articles/infrastructure-quarterly-q3-2024> - CBRE Investment Management’s Infrastructure Quarterly notes that private infrastructure has performed in line with expectations, with robust returns since the 2010s. It cites rate-of-return indices such as MSCI Private Infrastructure, reporting an annualised return of around 8.9% through the past decade. The report analyses market dynamics across renewables, contracted power and other sectors, and discusses volatility, inflation, and default risk. It also highlights the enduring appeal of infrastructure for stable income, inflation hedging and resilience against macro shocks, while acknowledging data lags. The findings support the case for continuing long-term investment in essential London and UK infrastructure for future growth.