

BUSINESS LONDON

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PATHWAY TO DELIVERY

Expanding London's Global Connections

In partnership with



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Preface

In the Modern Industrial Strategy and other recent announcements, the Government has shown that it understands how London's global links can support the development of the UK economy. Now is the time to get projects scoped, approved, and to allow owners to start delivering them.

The ports covered in this report are privately owned. Their ambitious growth and expansion plans, all backed by private investment, are a representation of the UK's growth potential and reflect how global capital views the UK as a place to invest compared with other locations.

Expansion of these ports has been discussed for many years, with some progress having been made recently. But as part of the Government's economic growth agenda, we now have a once-in-a-generation opportunity to invest properly in how London and the UK connect to the rest of the world.

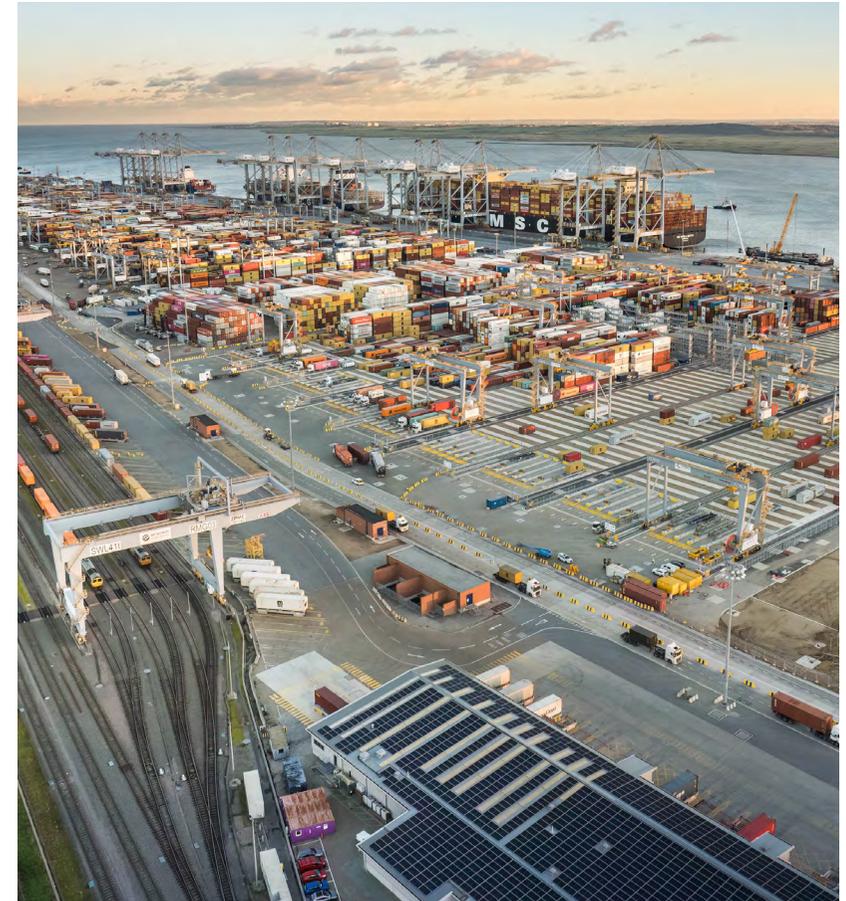
This report has been prepared to acknowledge the significance of this moment, to note the massive potential that it brings for London and the wider UK economy, and to offer support and constructive advice from business to the Government about how to seize this opportunity.

But delivery of complex infrastructure projects such as those covered in this report is never 'fire and forget'. The Government must remain engaged and committed to ensure these schemes progress and realise their economic potential.

To secure the full range of benefits these projects offer, a new type of partnership is needed between business and the Government – one that unlocks investment and supports sustainable growth that will move the UK forward.



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Executive summary

London's global connections via air, rail, and sea allow businesses in the capital and beyond to trade and export internationally, as well as supporting tourism and the visitor economy. The ability to travel easily and reliably to key markets provides the bedrock for the UK's vital knowledge-intensive industries. Much of the UK's competitive advantage rests on London's high level of connectivity.

London's global ports have ambitious plans to invest, expand capacity, and increase connectivity. These are complex projects which are privately funded. Unlocking this investment will support the Government to deliver its economic growth agenda.

The growth plans of London's global ports amount to over £53.5 billion of private investment:

Heathrow Airport	London Gatwick Airport	London Stansted Airport	London St Pancras Highspeed	London Gateway and Logistics Park
£49 billion	£2.2 billion	£1.1 billion	£265 million	£1 billion

To maximise the investment and expansion plans of London's global ports, a strong partnership approach with the Government is essential. While some major projects require ministerial approval, Government must also remain engaged and committed throughout the duration of the projects to help keep them on track.

Government can help unlock the investment in London's global ports and provide the UK economy with strong foundations for growth by focusing on four key areas:

- **Joined-up government:** strengthen collaboration across Whitehall and between national, regional, and local government, and streamline decision-making. The Government must also remain engaged and committed throughout the duration of the planning and delivery of the projects to provide political certainty, which, in turn, supports investor confidence.
- **Regulatory reform:** align regulatory frameworks and regulators with the Government's economic growth priorities.
- **Planning and project delivery reform:** building on the Planning and Infrastructure Act, create a planning system that better supports the timely delivery of major projects.

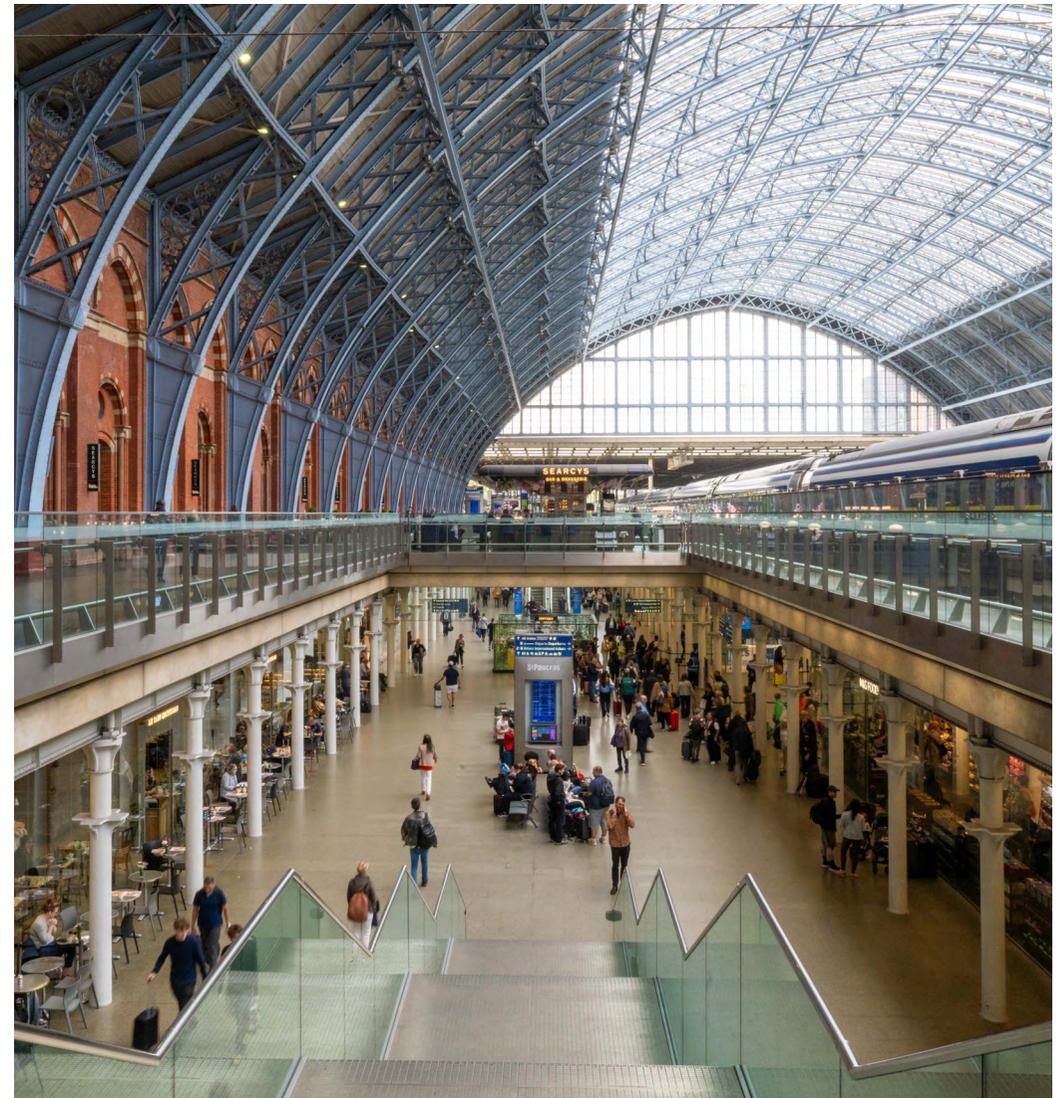
1: Introduction

London's airport network provides a mixture of hub and direct services, serving passengers and destinations, and moving freight from across the UK and around the world. International rail services from the capital provide direct connections to Paris, Brussels, Amsterdam, and a growing network of other destinations. The London Gateway Port provides strategically important deep-water port capacity, linking UK businesses to global trading markets.

Together, these ports act as a springboard for connecting people to jobs and tourism, and businesses to international markets. Expanding these ports and strengthening the UK's international links would help the Government achieve its number-one mission of delivering economic growth and would also play a vital role in delivering the Government's Modern Industrial Strategy and the Mayor's London Growth Plan (see section 2).

Drawing on interviews with senior leaders from London's ports and wider research, this report by Arcadis and BusinessLDN sets out the major private investment plans of Heathrow Airport, London Gatwick, London Stansted Airport, London St. Pancras Highspeed, Eurostar, and London Gateway Port and Logistics Park, and the critical pathways and decisions required over the next decade to deliver them. These are pivotal choices that could make the difference between success and failure, and if the pathways can be smoothly navigated, these projects will help to drive growth across London and the UK (see section 3).

Unlike much of the UK's transport infrastructure, the ports are privately owned. Their investment and expansion plans demonstrate that international investors are willing to commit substantial investment into the UK if the conditions are right. However, they are complex projects that cannot move forward without a strong partnership with the Government and proactive support from public bodies (see section 4).



2: The importance of global links to the UK economy

Strong and resilient global links are an essential part of delivering the Government's growth mission. The Modern Industrial Strategy emphasises the importance of international links in supporting trade with other countries, boosting exports, and driving job creation. It identifies eight frontier sectors that offer the highest potential to drive growth in the years ahead (see below), all of which are highly dependent on global trade and connectivity for success.

International links enable industrial collaboration, open worldwide market access, and support joint innovation. Bringing innovators and investors into the UK relies on maintaining direct and reliable connections between London and other leading cities. Exports in high-growth service sectors such as the creative industries, financial services, and professional and business advice will equally rely on the capacity and resilience of our global ports – to ensure access to new and existing markets, and to respond to demand as it evolves.

In addition, the Government is negotiating new trade deals, including most recently with India and the USA, and deepening the UK's trading relationship with the European Union. With further trade agreements expected in the coming years, robust global connections are vital to delivering the full potential of these deals.



Given the scale of London's economy, its unrivalled breadth and depth of marketplace, its diverse talent pool underpinned by being home to more universities ranked among the global top 50 than any other city, and its international profile and appeal to investors, the capital is well positioned to play a leading role in advancing the Modern Industrial Strategy and future trade agreements. This contribution takes two main forms.

First, only London's global ports provide the range and frequency of connections required to support the UK's trading ambitions, representing the primary gateway to international markets. Demand for all of London's global ports is growing fast, with passenger and freight volumes rebounding strongly since the pandemic, and continued growth is expected in the years ahead.



London's airports

have a truly global reach – in 2024, there were flights between London airports and international airports in over 110 countries.¹



Heathrow is the world's best-connected airport and Europe's most punctual hub, serving destinations across the globe.



London Gatwick is the UK's second busiest airport and the most efficient single runway airport in the world, with strong airline growth in 2025 and an extensive range of direct services to international destinations.



London Stansted has the most direct European routes of any UK airport and provides an essential base for low-cost air travel. The airport is investing £1.1 billion to grow its capacity to offer further connectivity to short and long-haul destinations.



London St. Pancras Highspeed provides high-speed rail services to a growing number of European cities, with Eurostar carrying a record 20 million passengers in 2025.²



The London Gateway port offers deep-water berth port capacity to support global trade, with particularly strong demand from China and other parts of Asia.

Second, the capital's economy is uniquely placed to drive growth across the UK. London's ambitions for economic growth are set out in the London Growth Plan, with many of the themes of the strategy intrinsically linked to the continued growth of London's global ports. For example:

Exporting services: services account for 90% of London's economy.³

Stronger trading relationships ensure continued access to international markets for key sectors such as financial services, legal, technology, and creative industries.

Attracting foreign direct investment: leveraging the capital's international links, London already attracts over half of the total amount of inbound foreign direct investment in the UK.⁴

Enhancing the visitor economy: London has recently been ranked as the number-one tourist destination,⁵ demonstrating the capital's popularity with international visitors. Tourism is not just important to London's economy, but the national economy as well, with 15% of international visitors to the capital going on to visit other parts of the UK.⁶

Higher education: London is the biggest international student city in the world,⁷ with the capital's international alumni extending the UK's soft power worldwide. In 2021, international students in London generated an estimated £9.59 billion in exports through expenditure and tuition fees.⁸

The strategic aims of the London Growth Plan are also closely aligned with the Government's Modern Industrial Strategy, with most of the nationally identified frontier sectors already thriving in London (see opposite).

Frontier sectors in the Modern Industrial Strategy that are thriving in London

Financial Services: The UK's leading economic sector, with an estimated value of £132 billion. The City of London is Europe's largest fintech centre, supported by global investment and a regulatory environment that supports innovation.⁹

Creative Industries: The creative economy contributes approximately £55 billion to the capital's economy. London generates over half of the UK's creative industries output, particularly in film, television, animation, games, fashion, and design.¹⁰

Technology: London is Europe's leading tech hub, with more than 589,000 people employed in the capital's tech sector.¹¹ The capital accounts for 59% of the UK tech sector's total value.¹²

Tourism: In 2024, tourism contributed over £41 billion to the capital's GDP, with strong appeal to visitors from the USA, France, Germany, Spain, and Ireland.¹³

Professional Services: In the UK, the financial and professional services industry supports 2.5 million jobs and contributes nearly £110 billion in tax revenue.¹⁴ It is estimated that professional services exports from London accounted for 57.3% of Great Britain's total professional services exports.¹⁵

Healthcare and Life Sciences: London hosts leading institutions such as the Francis Crick Institute, Our Future Health, and Genomics England. In collaboration with London's world-class universities, they provide a focal point for further growth of this sector. Outside of the US, London was the top city in 2025 to attract investment into life science businesses.¹⁶

Investment and economic activity in the capital support growth across the nation, with London's global ports being a prime example of this.



Heathrow is one of the largest private sector investors in the UK. In 2024, it spent £1.1 billion¹⁷ and in 2026, it has £1.3 billion of investment planned as part of the airport's continuous improvements to efficiency and passenger experience, this comes on top of the £49 billion earmarked for expansion.¹⁸ This investment directly supports over 80,000 on-site jobs and an estimated further 16,000 across the direct UK supply chain.¹⁹ This includes £75.6 million in Yorkshire and the Humber and £58.8 million in the West Midlands.²⁰ The airport supports £200 billion of annual UK trade with the world.²¹



The London Gateway Logistics Park provides a key focal point for the growth of emerging industrial sectors, including AI and data, food and beverage, healthcare, and advanced manufacturing and logistics. Its proximity to a major deep-water port has enabled the development of state-of-the-art industrial facilities, which drive jobs and trade across the whole of the UK. Many of these are on a strategically significant scale: more than half (54%) of the UK's deep-sea refrigerated container volume comes through London Gateway.²²



International rail services continue to grow quickly in response to rising passenger demand. Eurostar now operates five direct services a day to Amsterdam, changing the shape of UK trade and travel relationships with the Netherlands. Other operators, including Virgin Trains, FS Group, and Gemini, are also progressing plans to commence cross-channel services from 2029 onwards.

Supporting investment in expanding London's international transport links will help to maintain the capital's competitiveness and support economic growth across the UK. These expansion plans will need to be compatible with the UK's plan to reach net zero emissions by 2050. For the airports, their respective growth plans have, or will come with, climate-related action plans to ensure

expansion is consistent with the UK's net zero strategy. Rail transport, compared with other non-active-transport modes, is already energy efficient, with further progress on international rail decarbonisation being made through investment in new technology and the purchasing of renewable energy. For shipping, decarbonisation will come through a combination of methods, including improving

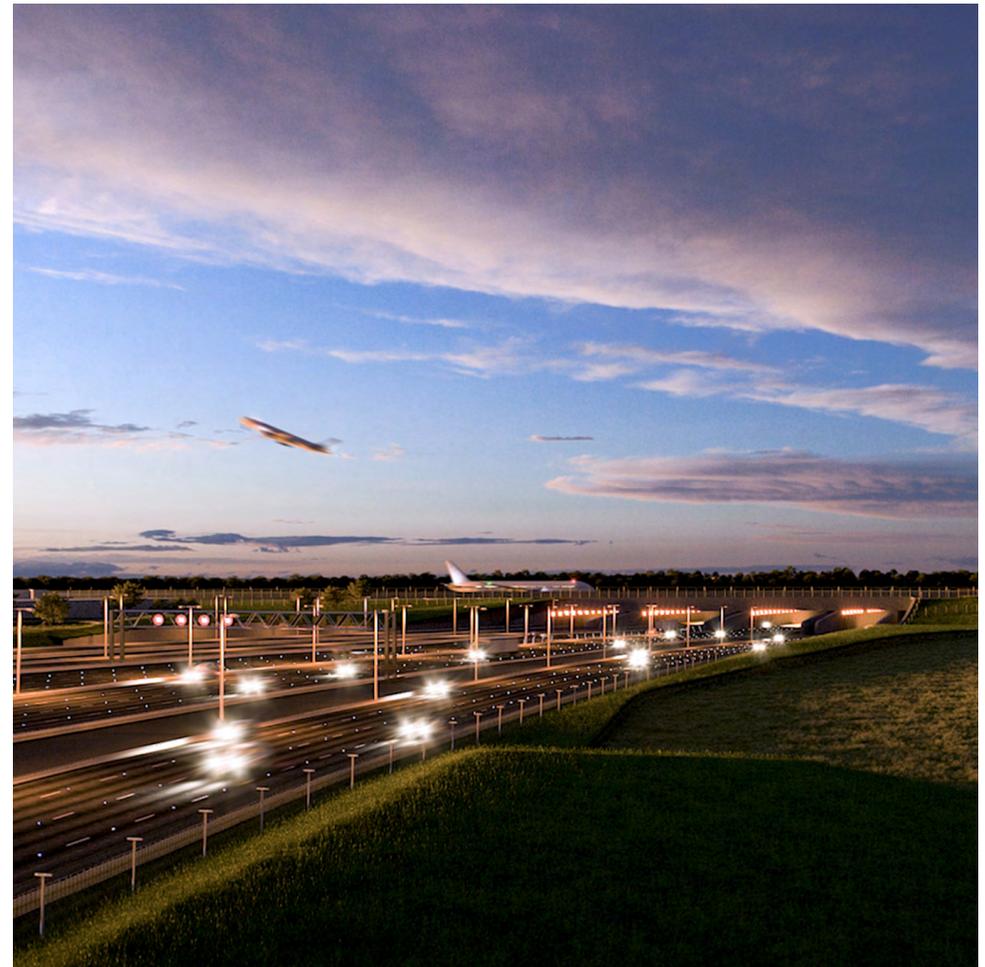
energy efficiency, developing and adopting alternative fuels, and using new technologies. From the Government's perspective, growth and addressing climate change are not mutually exclusive, as the Chancellor recently stated, "without growth, we cannot meet our climate goals or give the next generation the opportunities that they need to thrive".²³ Businesses in the capital share this view.

3: Growth and expansion plans – key milestones

In recent years, momentum has started to gather behind the expansion of London's global connections. Approval for new terminal buildings at London Stansted Airport was granted in 2023, with the investment to fund the works announced in October 2024, and in December 2025, London Stansted was granted planning permission to raise the airport's passenger cap from 43 million to 51 million passengers per year by 2040. In October 2024, London Gateway Port and Logistics Park announced the investment for their expansion plans. In September 2025, development consent was granted for the Northern Runway at London Gatwick. In October 2025, the Office of Rail and Road (ORR) granted Virgin Trains access to Temple Mills International depot, paving the way for another operator to run trains through the Channel Tunnel. In November 2025, the Secretary of State for Transport confirmed that Heathrow Airport Limited's expansion scheme was selected to inform the ongoing review of the Airports National Policy Statement (ANPS).

Together, the growth projects highlighted in this report constitute over £53.5 billion of private investment into London's international links. This is global capital choosing to invest in the UK. To secure this investment, the Government and other key stakeholders must continue to make timely decisions relating to these projects and offer as much regulatory and policy certainty as possible.

Based on in-depth interviews with Heathrow Airport, London Gatwick, London Stansted Airport, London St. Pancras Highspeed, Eurostar, and London Gateway Port and Logistics Park, this section summarises the background to each investment; the high-level detail of the growth projects; the steps that need to be taken, from the perspective of each project, to support delivery and growth; and, finally, the key milestones that will need to be met to keep the respective projects on track.



Heathrow Airport

Background

Heathrow is Europe's busiest airport and the UK's only hub airport. It handles over 470,000 flights annually, surpassing 84 million passengers for the first time in 2025.²⁴ On peak days, Heathrow can carry almost 1,400 flights and serve 300,000 passengers. It achieves this with only two fully operational runways, compared with six at Schiphol in Amsterdam and four apiece at Charles de Gaulle in Paris and Frankfurt Airport.

As a hub airport, Heathrow plays a unique role, providing direct connections around the world, with flights to over 230 destinations across 85 countries, including 30 destinations that are not accessible from any other European hub. Heathrow's current network of 13 domestic routes connects passengers across the UK's nations and regions to 92% of the world's economy.²⁵

Heathrow also has a strategically important role in the transportation of freight. In 2024, it carried 76% of all UK aviation freight by volume and 72% by value, with 95% of this cargo traveling in the holds of passenger aircraft.²⁶ Heathrow is now capacity constrained, with 99% of its available runway capacity being used, leaving little room for contingency, let alone room for growth.²⁷



Growth project – third runway

The importance of tackling capacity constraints at Heathrow has long been recognised by the Government. The 2015 Airport Commission, led by Sir Howard Davies, thoroughly examined the case for airport expansion and different options for delivering that vision. The independent Commission concluded that Heathrow was the best option as the UK's only hub airport.²⁸

The Government recently launched a review of ANPS, which provides the framework within which any future expansion will be considered, and which is due for completion by the summer of 2026. In November 2025,

the Government confirmed Heathrow Airport Limited's scheme for a third runway will be taken forward to inform the remainder of the ANPS review.

Heathrow Airport Limited has put forward a comprehensive plan to deliver a 100% privately financed third runway. The airport operator's plans are based on a £21 billion investment in a third runway, together with separate proposals for a new terminal complex and wider investment in modernising the airport's existing infrastructure.

The total proposed investment for these schemes would be £49 billion.²⁹

What will it take to deliver the growth project?

Creating the right planning environment: The Government has set out a timetable for the expansion of Heathrow and would like to see a planning application submitted in 2028 and, subject to the independent planning process, approved in 2029. However, significant reform of the planning process is needed to ensure that these timescales can be met: reducing the amount of time required to obtain a Development Consent Order (DCO) and preventing projects from being held up in the courts by vexatious claims. A streamlined and efficient planning process would allow Heathrow to expand and compete on a level playing field with overseas rivals, particularly in regions with fewer regulatory hurdles than the UK.

Airspace reform to support an increase in runway capacity: The current airspace structure in London and the South East is outdated and inefficient. Modernising airspace is central to accommodating additional flights to and from an expanded Heathrow. The Government will need to reform the process for approving changes to airspace structure and the process for consenting development at Heathrow at the same time, to enable an operational third runway from 2035. The publication of a consultation about the former in November 2025 is a positive step. Delay will push timescales for the project out and put at risk the economic value of the programme, while also limiting the UK's connectivity.



Aligning regulation and growth: Expanding Heathrow requires a regulatory environment that reflects the economic importance of unlocking new capacity at the UK's only hub airport. The Government must ensure the Civil Aviation Authority (CAA), other relevant regulators, government departments, and bodies are guided by a clear mandate to prioritise growth and timely delivery, while respecting regulatory independence. This regulatory framework must be capable of supporting the scale and complexity of expansion to catalyse private investment and enable the delivery of critical national infrastructure at pace. Uncertainty in the regulatory framework could cause delay, stall investment decisions, and defer the realisation of consumer and economic benefits.

Future of the Heathrow Express: Heathrow Express is a non-subsidised private railway operator, carrying 4.4 million passengers in 2024. It is owned by Heathrow Airport Limited, whose initial overarching agreement runs until 2028. Given the importance of rail services in supporting passengers to use public transport to access the airport and the environmental benefits this brings, the Government should take an early decision and confirm continued Heathrow ownership of the Heathrow Express. It is an important issue for the future planning of the airport and the foundation of a credible surface access strategy for expansion because it protects the pathways necessary to develop additional rail to the airport, such as Western Rail and Southern Rail.

Timeline for growth – Heathrow Airport

£49 billion private investment, including **£21 billion** in a third runway

2026

- Review of the regulatory framework to support expansion to be developed during 2025/26.
- CAA will provide a recommendation for the regulatory model to be applied at Heathrow in the spring.
- Heathrow to run further consultation on expansion (building on consultations in 2018 and 2019).
- Draft ANPS will be published by the Government for consultation by the summer.

2029

- DCO approval and implementation.
- Construction begins and delivery of an operational runway within a decade from project mobilisation.

2028

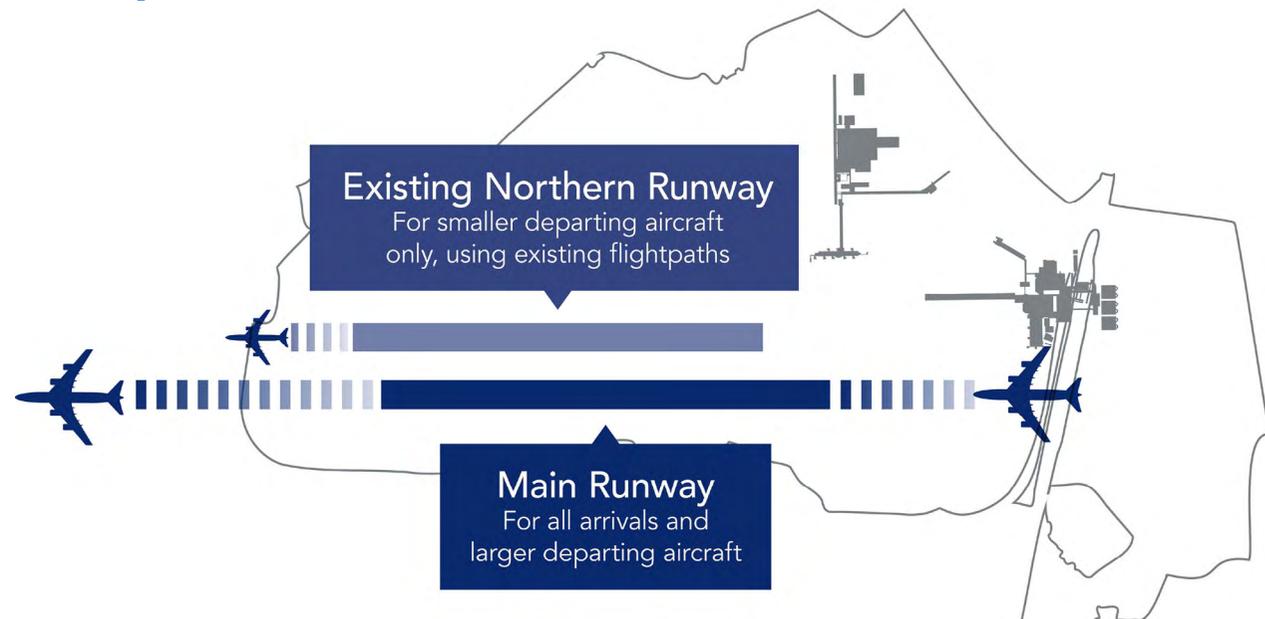
- DCO submission.
- Conclusion of airspace modernisation to support DCO.

London Gatwick Airport

Background

London Gatwick is the UK's second busiest airport and the most efficient single runway airport in the world, carrying 43.2 million passengers in 2024.³⁰ The airport is a vital piece of national infrastructure that helps drive both the regional and national economy. Around 60 airlines fly from London Gatwick to more than 150 short-haul and over 50 long-haul destinations across Europe, Asia, Africa, and the Americas.

London Gatwick generates over £4 billion for the regional economy today, with the potential for this to grow substantially with increased runway capacity. The airport has worked with local authorities and businesses in the South East to launch the UK's first Airport Economic Zone, leveraging the airport's position as a regional economic anchor. The Gatwick Region Airport Economic Zone brings public and private partners together, with a single recognisable identity, to unlock new investment in the region and grow trade and tourism opportunities.



Growth project – Northern Runway

In September 2025, the Secretary of State approved plans to bring London Gatwick's Northern Runway into routine use. This major infrastructure project will deliver additional capacity at the airport and boost regional and national economic growth.

This project will see the Northern Runway at the airport move 12 metres to the north to comply with international safety standards and enable its use for departing flights of narrow-bodied aircraft. The Northern Runway is currently used as a taxiway or standby runway when the main

runway is undergoing maintenance or in emergencies. The project will include a wide range of works, including taxiways, terminal extensions, and highways improvements, alongside other mitigation and enhancement measures.

This ambitious project has a capital value of roughly £2.2 billion and would enable the airport to serve up to 80 million passengers per year. It has the potential to create 14,000 new jobs and to contribute £1 billion per year to the regional economy.³¹

What will it take to deliver the growth project?

The Secretary of State for Transport granted consent to bring London Gatwick's Northern Runway into routine use on 21 September 2025. Provided there are no conditions that could constrain the project or make it uneconomic to invest in, the runway could be operational by around the turn of the decade.

As consent has been granted, this report does not map a timeline of what is needed to deliver the project. The broader points made in Chapter 4, relating to major projects and the aviation sector, are important to growth at London Gatwick, as well as to the wider health of infrastructure delivery in the UK.



London Stansted Airport

Background

London Stansted Airport is the third busiest airport serving the capital and the fourth busiest in the UK, carrying just over 30 million passengers a year.³² It is an important part of the London airports system and drives employment and economic growth in north London and surrounding communities.

Connecting to over 200 destinations, its extensive point-to-point route network means that London Stansted offers the most direct European routes of any UK airport. London Stansted supports a range of tourism journeys as well as an increasing volume of business passengers. The airport also enjoys an increasing number of international scheduled services by full-service carriers, including twice-daily flights to Dubai with Emirates and up to fifteen flights a week by Turkish Airlines flying to Istanbul from spring 2026.

London Stansted is the premier pure cargo gateway to the capital and the UK's third largest cargo airport overall, handling more than £12 billion in trade value annually.

The airport also has the only Further Education aviation college co-located on an airport site in the UK, Stansted Airport College. Over 500 young people attend the college, studying aircraft maintenance, airfield operations, and hospitality, with 97% going on to employment in aviation or on to higher education. The airport's sustainable development plan includes expanding the college to double its capacity.

London Stansted is also constructing a 14.3MW solar farm capable of powering the airport, which, when operational in summer 2026, will be the only one of its kind at a UK airport.



Growth project – passenger capacity

A £1.1 billion investment programme is underway at London Stansted to increase the capacity of the airport to meet passenger demand. Construction has already begun on a major expansion of the existing terminal building, increasing floorspace by 40%, along with improvements to passenger facilities and investment in associated infrastructure.³³

In December 2025, London Stansted Airport was granted planning permission to raise

the airport's passenger cap from 43 million to 51 million passengers per year by 2040. To support growing passenger demand, airlines are increasing aircraft size to carry more passengers per plane. The change in passenger limit accommodates this. The additional growth will be achieved without an increase in the number of permitted flights annually and by making the best use of the airport's existing single runway.

What will it take to deliver the growth project?

Airspace modernisation: As with other airports, there is an urgent need to create more capacity in the London airport system by modernising the UK's airspace management systems. Without this, the full potential of runway capacity will not be realised, nor the associated reductions in noise and carbon. The Department for Transport, having now initiated this project, must ensure the full involvement of the CAA and National Air Traffic Services, and interface effectively with Eurocontrol air traffic systems as appropriate.

Further integration into Government strategies: The aviation sector is an important enabler of economic growth, with many of the sectors prioritised in the Government's Modern Industrial Strategy being reliant on international connectivity to grow. The aviation sector is also critical to the Government's ambition to increase international visitors to the UK to 50 million per year by 2030.³⁴ London Stansted, along with the wider sector, can help the Government deliver on its tourism and economic growth objectives if aviation is viewed as a key partner. Similarly, regulatory support for sustainable operations, such as improving energy efficiency, reducing emissions from ground operations, and developing a domestic sustainable aviation fuels industry, will ensure London Stansted and the wider airport sector can play its full part in meeting the Government's net zero ambitions.

Fiscal regime: Government reforms to business rates and increases to the multipliers charged to large premises



away from the high street risk having a significant impact on airports. Such changes must not create adverse incentives for investors to look overseas rather than investing in UK airports and infrastructure.

Delivery of wider economic growth: London Stansted can help to drive growth, inward investment, and development across Essex, London, and the wider East of England. The Government should be more explicit about the positive role that airports can play in driving regional economic growth, making sure they are included in planning considerations surrounding important national and regional corridors, such as the UK Innovation Corridor and the Oxford-Cambridge corridor.

Surface access: London Stansted already has a high proportion of passengers travelling to the airport using sustainable travel modes but plans to go further and reach over 50%. The Stansted Express has benefited from recent investment in rolling stock and the return of a four trains per hour timetable, but improvements are needed to the West Anglia mainline and the rail network in North London to decrease journey times. Eventually, more investment will be required to deliver new transport infrastructure, such as Crossrail 2.

Timeline for growth – London Stansted Airport

£1.1 billion private investment to expand the terminal and improve airport facilities

2026

- Planning permission granted in December 2025 by Uttlesford District Council to increase the airport's permitted passenger cap from 43 to 51 million passengers per year by 2040.
- Construction underway on London Stansted terminal transformation project and wider improvements to grow capacity.
- The airport begins seeking funding and support to expand the Stansted Airport College.
- Commencement of national airspace modernisation study to help ensure that capacity is available to support future growth and improve environmental sustainability through more efficient routing.

2030 onwards

- Sustainable growth towards 51 million passengers.

2028-29

- London Stansted terminal transformation project complete and fully operational (planned).
- Exploration of surface access upgrades, e.g. decrease journey times on the Stansted Express.

London St. Pancras Highspeed

Background

International rail services between London and Europe have grown significantly since the first Eurostar services to Paris and Brussels in 1995. Multiple daily services now operate between London St. Pancras and Paris, Brussels, and Amsterdam. Passenger numbers have fully recovered since the pandemic, with Eurostar hitting 20 million passengers in 2025, its highest ever total.³⁵ Eurostar now accounts for 40% of passenger journeys between London and the cities that it serves, competing well with airline and ferry services.

The sector is poised for significant growth, with British and European regulators encouraging new routes and operators for international rail services, with significant capacity existing for paths through the Channel Tunnel. Train services are expected to be highly competitive with airlines for journey times of six hours or less, opening up markets in Germany and Switzerland, as well as countries currently served by Eurostar.

The Government has made clear its support for this expansion, including explicit provision in the recent UK-Germany bilateral

agreement for a direct rail service between London and Berlin.³⁶

In October 2025, the ORR confirmed Virgin Trains' application for access to Temple Mills International depot, a key milestone to operating an international rail service through the Channel Tunnel.³⁷

Other operators, including FS Group and Gemini, are also progressing plans to launch cross-channel services.

Previous governments have shown a consistent level of vision in delivering the infrastructure necessary to support international rail services. Projects such as the construction of a new facility at St. Pancras International, the decision to close the Waterloo terminal, and the relocation of high-speed train maintenance from West to East London are among the biggest successes in UK major project delivery in the last 20 years. These decisions have prevented international high-speed rail facing capacity-based challenges of the kind that have faced domestic rail. The responsibility for further investment now lies in the hands of the private sector, set within the Government's regulatory framework.

Growth projects – increasing routes

Two main projects have been identified: upgrades to the St. Pancras International station and the opening of access to and potential future expansion of the Temple Mills depot in East London, **which together come to a total of approximately £265 million.**³⁸ These projects are linked to the twin challenges of creating sufficient maintenance and station capacity to enable growth in services and passenger numbers anticipated by deregulation of the sector.

For the St. Pancras International station project, London St. Pancras Highspeed and Eurostar have set out an investment plan to double the station's capacity. The station's current capacity is 2,000 passengers per hour, with this expected to rise to 5,000 per hour by 2029.³⁹ **The private investment for this project is approximately £85 million based on current projections.**⁴⁰

For the Temple Mills depot project, Eurostar has announced plans to operate new double-decker trains through the Channel Tunnel and the entire fleet to be maintained at Temple Mills, which will be modified to accommodate the new trains at a cost of around £70 million (€80 million).⁴¹ In addition, further modifications may be required to Temple Mills to accommodate Virgin Trains' use of the depot. While the detail of these potential changes is not currently known, **it is reasonable to assume a cost of £10 million.**⁴²

The Rail Minister, Lord Hendy, has signalled the Government's interest in exploring plans to create new depot capacity in the UK, supported by private investment, to help support competition and growth in international rail services.⁴³ Options exist through safeguarded land at Temple Mills to develop this capacity. While speculative at this stage, **the cost of such a scheme could be approximately £100 million.**⁴⁴

What will it take to deliver the growth project?

Aligning economic regulation and growth: Now that the ORR has made its decision on depot access at Temple Mills for Virgin Trains, future regulatory decisions must be aligned with the overall focus on growth in the sector. Current momentum should be converted into early growth through the timely allocation of existing capacity, and eventually, new maintenance capacity constructed to ensure that Temple Mills becomes a leading European hub for high-speed train maintenance. This will create jobs and economic growth in the local community. Ultimately, what is required is an international rail strategy that encourages growth through delivering increased station and depot capacity.

Government border regulation rules and enforcement at St. Pancras International: The operation of the border at St. Pancras International is very different from that at airports, with exit from the UK at St. Pancras International immediately followed by French authorities processing passengers during their journey through the terminal. Duplication and inefficiencies can occur when respective governments introduce new systems or requirements, as per the introduction of the EU Entry/Exit System – a new digital border control system introduced in October 2025 for non-EU nationals entering the Schengen Area. There is a premium on collaboration between UK and French border authorities, and investment in technology to facilitate the flow of passengers. The arrival of additional operators is likely to increase innovation from the private sector with a greater focus on passenger experience.

It is important that ministers acknowledge these issues and identify the benefits that innovation and investment can bring as passenger numbers increase.

An aspirational environment for growth: The emergence of the international high-speed rail sector over the last 30 years has been a product of ambitious and forward-thinking decisions from successive governments, and ministers need to retain that mindset to maximise the continued growth of the sector. In practice, this means embracing long-term decision-making and regulations that together can help deliver investment programmes where the costs to the industry are charged on a sustainable basis. This, in turn, will ensure that passenger services and ticket prices are at levels that unlock the latent demand, and the growth benefits can be seen more broadly in the economy.



Timeline for growth – London St. Pancras Highspeed

£265 million private investment to upgrade St. Pancras International station, and the opening of access to and potential future expansion of the Temple Mills depot

2026-27

- Continued short-term improvements, within the current station footprint, to passenger flow at St. Pancras International.
- Commence design work for the adaptations at Temple Mills for Eurostar and Virgin Trains.

2030-35

- Further opportunity to enhance capacity, including considering relocating the arrivals flow upstairs at St. Pancras International.
- New Eurostar trains in operation.
- Virgin Trains potentially start running international rail services.
- Longer-term depot plan at Temple Mills potentially being delivered.

2028

- Completion of changes to St. Pancras International areas and its connections to the main concourse to help passenger flow and enhance customer experience.
- Construction of the modifications to Temple Mills to allow trains to be introduced for testing.

London Gateway Port and Logistics Park

Background

The London Gateway Port and Logistics Park is a leading freight and logistics hub supporting international trade for businesses across the UK. It is the largest of the 70 port terminals located along the tidal Thames, which collectively make the Port of London Authority the UK's biggest port and busiest inland waterway.

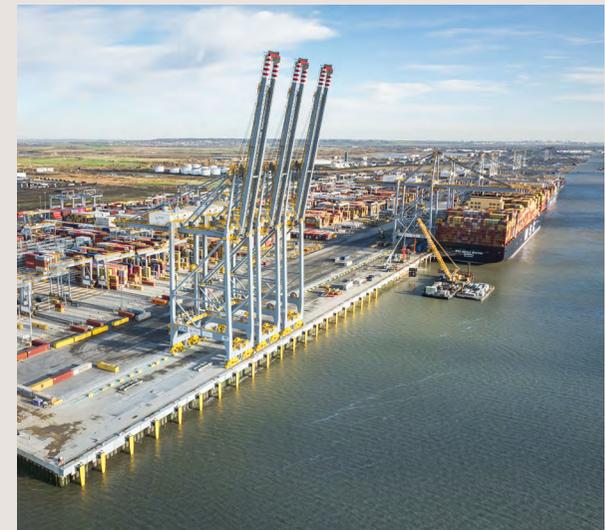
London Gateway's deep-water capabilities and proximity to the capital mean that the port is a strategic hub for imports and exports, with growing links to markets across Asia. London Gateway is a leading adopter of automation and digital technologies, with semi-automated quay cranes, fully automated yard stacking cranes, and advanced logistics systems. The port has experienced a significant growth in traffic over the last few years, with container volume capacity now more than 3 million TEU (Twenty Foot Equivalent) containers each year.⁴⁵

The site is part of the Thames Freeport. London Gateway's integrated logistics park is a centre for e-commerce, logistics, food and beverage, and retail operators. The logistics park is a significant site for the future development of key sectors in the UK economy, including AI and data, healthcare, and advanced manufacturing and logistics.

Growth project – London Gateway expansion

London Gateway completed construction of its fourth berth in 2024, and work is now underway to build two further berths that will take the total to six by the end of this decade **as part of a £1 billion expansion announced in October 2024**. Each berth can handle the world's largest container vessels, while a second rail terminal will support greater freight volumes by rail, removing congestion from road networks. This will support long-term growth of the port and will provide a significant strategic boost to the UK's international trading capacity.⁴⁶

The London Gateway Port and Logistics Park is owned and financed by DP World, a global port operator. The London Gateway site is fully consented for both port and park development. Planning consent for specific logistics park developments can be secured within 28 days through the Local Development Order. London Gateway itself is designated as a Nationally Significant Infrastructure Project, allowing for development decisions through the Development Consent Order Process.⁴⁷



The port's six deep-water berths capacity will allow it to grow alongside market demand as the UK's trading relationship with the rest of the world evolves. Further work is needed to ensure that the port's infrastructure and links to the rest of the UK can also respond to market demand.

What will it take to deliver the growth project?

Energy supply: To maintain its global competitiveness, the port needs to keep ahead of energy demand. Grid constraints and the growing demand from the fleet make this a potential issue for future growth and expansion of the port. DP World is working with UK Power Networks to grow the existing distribution network connection that serves London Gateway Port and Park. It will also look to work with the National Energy System Operator and National Grid to develop sufficient capacity for future growth.

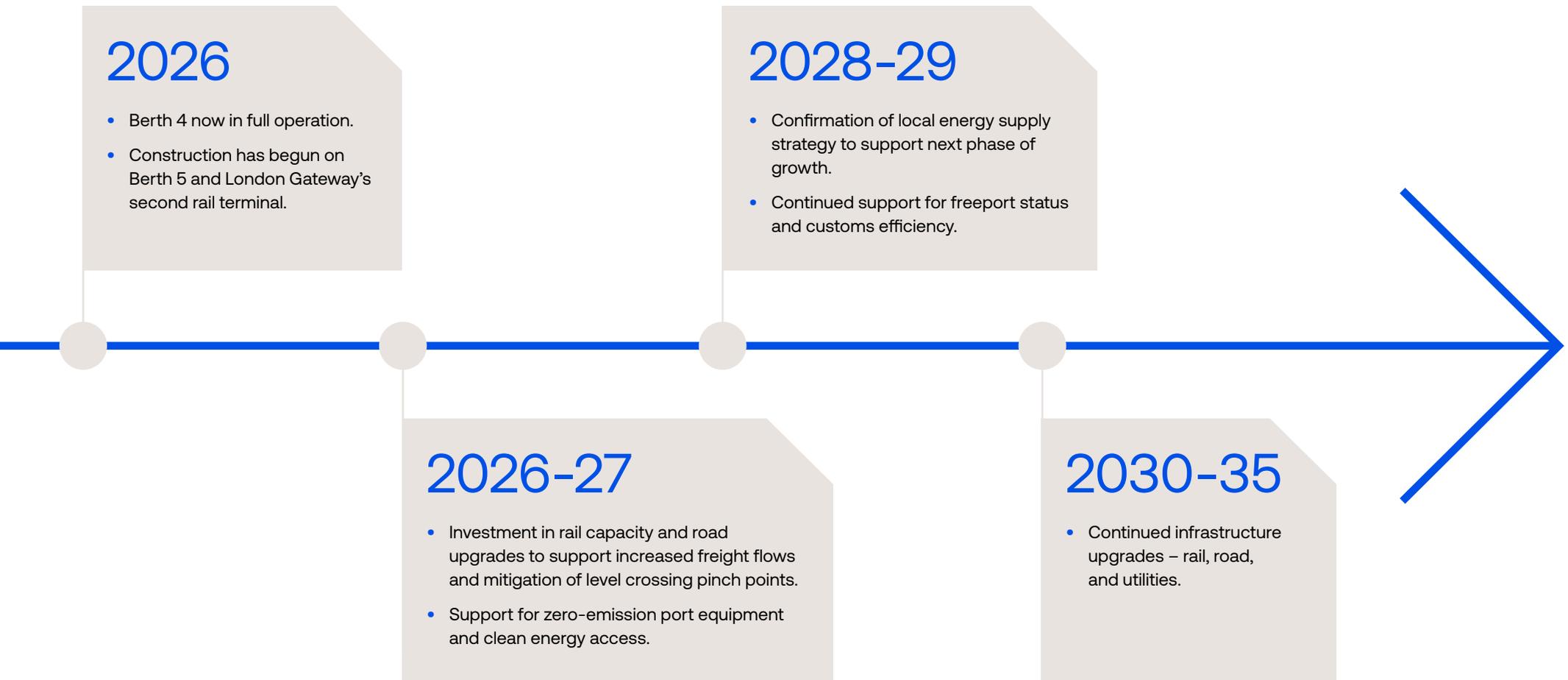
Transport infrastructure: Constraints reflect the high capacity of the port, which is served by up to 4000 HGVs daily. Capacity on the M25, the development of the new Lower Thames Crossing, and other local schemes such as A13 trunking, where responsibility sits with National Highways, are all highly relevant to the Gateway Port.

Rail freight links: The current links struggle to keep up with the development of the port and reflect the difficulties in allocating sufficient route access to freight services. Pinch points across the network locally, regionally, and further afield are well-known national challenges. Unlocking these would support the integration of the Gateway port with markets in the Midlands and North and provide a spur to growth across the UK.



Timeline for growth – London Gateway Port and Logistics Park

£1 billion private investment in port facilities to support UK trading capacity



4: Actions the Government can take to support expansion and economic growth

London faces intense competition from other world cities eager to establish themselves as leading destinations to live, visit, and do business. When the Government first proposed a third runway at Heathrow in the 2003 Air Transport White Paper, challengers were European hub airports such as Amsterdam and Frankfurt. Today, the landscape has shifted, with rapidly expanding hubs in the Middle East joining European airports in offering highly competitive air transport links.

London's global ports operate within a policy and regulatory framework controlled by the Government, but the money invested to expand and enhance these ports will come from international private investors. How much is invested will be determined by, amongst other factors, the ease of investing and perceptions of the attractiveness of the UK as a place to do business.

To continue to attract global investment into this country, a partnership between the Government and business built on trust and certainty is essential. The Government's welcome emphasis on growth must be matched by decisive action to address the regulatory, fiscal, and planning challenges that increase the cost of doing business in the UK. Ministers must use the levers at their disposal to reduce these costs and create an environment where ambitious and transformational business case investment can be made.

To realise the full investment potential of London's global ports and strengthen the UK's economic foundations, the Government should prioritise the following four actions.



1 Joined-up government



The challenges facing the capital's ports are complex and require a partnership between business and Government to overcome them, and, crucially, collaboration across Whitehall and between national, regional, and local government. While airports and ports are led by the Department for Transport, other departments cover immigration, environmental, planning, and fiscal policy – all of which have a significant impact on the investment climate. Ministers need to align departmental interests to help unlock private investment. This could be achieved through the formation of cross-departmental focus teams to troubleshoot issues, direct ministerial sponsorship and attention, and a political commitment to solving problems as they arise. Ministers should also encourage Mayors and other local political leaders to maximise growth opportunities around the ports, helping to create jobs and leverage investment into surrounding areas.

2 Regulatory reform



Each of London's global ports operates within an independent regulatory framework. Regulators such as the CAA and the ORR set the regimes that can make or break capital investment, and therefore their work must be aligned with the Government's focus on economic growth. The Government must strike a balance between effective regulation and a business environment that enables operators to invest in growth.

3 Planning and project delivery reform



The Government has recognised that the current planning regime for major infrastructure projects is not fit for purpose and is seeking to address this through the Planning and Infrastructure Act. Recent announcements about reform of the Green Book – guidance on how to appraise projects – and the greater importance of business case development in the Teal Book – guidance on project management of government projects – are important and welcome. Taken together, these reforms need to create a planning system that better supports the delivery of major projects, reducing the opportunity for complex applications to be unreasonably delayed and preventing the imposition of undeliverable conditions for growth that operators cannot control.

4 Fiscal focus



UK ports contribute significantly to public finances through the taxes they pay – both directly and indirectly. Heathrow, for example, is the largest single contributor of business rate revenue in the UK. The Government needs to ensure that the amount of tax levied on these vital ports, particularly compared with international competitors, does not become a barrier to investment. Changes to business rates, including the higher rate multiplier and the approaches taken by the Valuation Office Agency, pose significant challenges for airports and investment. It is positive that the Government has put in place transitional relief and that it is consulting on the relationship between business rates and investment, but it is clear that more work is required to create a fiscal environment that better supports businesses with large capital expenditure plans. Major infrastructure projects like those identified in this report have millions to invest, but over long timeframes. High rates bills may create a drag on investment, impacting UK economic growth.

Footnotes

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- 36 *Friendship and Bilateral Cooperation Treaty: The 17 Projects the UK and Germany will deliver together*, British Embassy Berlin (17 July 2025).
- 37 *Decision letter from ORR regarding access to Temple Mills International*, Office of Rail and Road (30 October 2025).
- 38 This figure excludes the investments in rolling stock by both Eurostar and Virgin Trains.
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