The Westminster Handbook: A Data-Driven Analysis of a Modern Regime

This report provides a data-driven analysis of the enduring disparities within the United Kingdom, focusing on the concentration of power and wealth in London and the South East and its systemic impact on other regions, particularly the North of England. The findings herein are intended to provide a quantifiable evidence base for understanding the structural dynamics of the modern British state.

1. The Enduring Core: Power, Wealth, and Uneven Development

A foundational premise of this analysis is that the concentration of economic power is inextricably linked to the centralization of political influence. This section provides the macroeconomic data to substantiate this claim, demonstrating a core-periphery model where London and the South East function as a powerful center, drawing resources and influence from the rest of the country.

1.1 The Economic Archipelago: London's Disproportionate Gross Value Added

The economic landscape of the UK is defined by a profound and persistent disparity in output and income. At the micro-level of individual living standards, this is quantified by the Office for National Statistics' (ONS) Gross Disposable Household Income (GDHI) per head, a metric that reflects the amount of money available to a person for spending or saving after taxes and benefits. The data for 2023 reveals a stark geographic divide. London had the highest GDHI per head at £35,361, a figure that is more than double the £16,067 recorded in Leicester, which had the lowest. The ten local areas with the highest GDHI per head were all located in London or the South East of England, while the ten lowest were all in the Midlands or the North.[1] The North East, in particular, had the lowest GDHI per head among all regions at £19,977, significantly below the UK average of £24,836 and representing a disparity of over £15,000 per person when compared to London.[1]

When examining broader economic output, the picture is equally unbalanced. London's Inner West region, an extreme outlier, had a GDP per capita of £213,400, more than double the next highest-ranking region. In contrast, regions in the North consistently lag behind, with South Yorkshire at £24,700 and Northumberland and Tyne and Wear at £27,900.[2] This is not a recent phenomenon. An academic paper from Cambridge University highlights that this uneven development has a deep historical context, with the North suffering a greater decline from de-industrialisation and benefiting the least from the growth of new service industries.[3] Between 1971 and 2003, market sector employment in the South increased by 1.9 million jobs (18.6%), while in the North, it fell by 800,000 (7.8%).[3]

This analysis of the data on GVA and GDHI illustrates a core-periphery model rather than a balanced, integrated national economy. The London economy, producing almost 22% of the UK's total output, acts as a "centripetal force," drawing economic activity toward itself.[4] A closer look at the data shows that the North's economic revival, which saw an increase in total employment since the 1970s, was primarily driven by a 68% growth in government services between 1971 and 2003, which more than offset the decline in market sector jobs.[3] This reveals a critical systemic flaw: a dynamic, private-sector-led economy in the South is effectively funding a public-sector-dependent one in the North via fiscal transfers. This structure creates a "social solidarity" that, while mitigating some inequality, is ultimately dependent and not self-sustaining, leading to a politically volatile and deeply unequal national state.[3]

1.2 The Locus of Influence: Lobbying and the Centralised Political Economy

The concentration of economic power is mirrored by the centralisation of political influence, as demonstrated by the geographic distribution of the lobbying industry. The sheer number of public affairs agencies and political consultancies physically located in and around Westminster and the City of London attests to the critical importance of proximity to the seat of power.[5] The purpose of the statutory lobbying register, established by the Transparency of Lobbying, Non-Party Campaigning and Trade Union Administration Act 2014, is to provide information on the activities of "consultant lobbyists" and their engagement with "Ministers and Permanent Secretaries," all of whom are based in the capital.[8]

However, a closer look at the lobbying landscape reveals a profound lack of transparency and an unlevel playing field. A report from the Chartered Institute of Public Relations (CIPR) titled "No Rules Britannia?" determined that the Westminster lobbying register is the "least transparent in the West" when compared to similar registers in the US, Europe, and Australia.[9] It captures only a small minority of the industry's activity, essentially providing the public with a "glimpse through a keyhole" rather than a full view of influence.[9] This stands in stark contrast to other jurisdictions, with Scotland's Holyrood register listing 69 times more lobbyists per capita than Westminster's.[9] The report also notes that the sanctions for non-compliance are among the least stringent in the West, and the Office of the Registrar of Consultant Lobbyists (ORCL) has no power to bar lobbyists from accessing government agencies or staff.[9]

The concentration of lobbying is not merely a geographic quirk but a direct manifestation of a political economy where proximity to power is paramount for affecting policy. The lack of transparency in the official register suggests a system that is designed to be opaque to the general public while remaining highly accessible to a select few. This is further reinforced by the "revolving door" phenomenon, where former Ministers and Members of Parliament (MPs) frequently take up roles within the lobbying and public affairs sector.[11] This symbiotic relationship between the political class and the lobbying industry creates a self-reinforcing loop where concentrated wealth funds lobbying efforts, which in turn influence policy to generate more wealth, all within the same geographic and political sphere. The system operates to serve the interests of the powerful, not to provide equal access for all.

2. The Selective Hand: Central Government's Control of Capital

This section will demonstrate how central government policies—specifically in funding and investment—serve to perpetuate and institutionalise regional disparities, reinforcing the dominance of the London/South East coalition over the rest of the country.

2.1 The Funding Chasm: Central Grants and Local Authorities

The financial stability of local government in England has been significantly eroded over the past decade, a direct consequence of a fundamental shift in central government policy. Between 2009/10 and 2019/20, central government grants to local authorities were cut by a staggering 40% in real terms.[12] This forced councils to rely more heavily on local revenue streams, such as council tax and business rates.[12]

An analysis by Grant Thornton UK LLP highlights the disproportionate impact of these policies on different regions. The North, with its higher levels of deprivation, has been hit hardest. Councils in the North are twice as likely to be at "risk of financial failure" (30%) within the next year compared to those in the South (17%) and London (15%).[14] This is compounded by a significant disparity in financial reserves. Southern councils, on average, have reserves that amount to 152% of their net revenue expenditure, while their Northern counterparts hold only 49%.[14] This leaves Northern councils with a much weaker ability to absorb financial shocks and a significantly shorter time frame to address deficits.

The government's approach to funding cuts in the early 2010s, which applied a uniform percentage reduction to grants, exacerbated this regional divide. Because more deprived local authorities, which are concentrated in the North, were more reliant on these grants for their total spending power, the uniform cut had a more severe effect on them than on wealthier councils.[12] This seemingly neutral administrative decision was, in effect, a regressive fiscal policy that disproportionately punished the most vulnerable areas. It has led to a quantifiable "hollowing out" of local services, such as children's centres, parks, and youth services.[15] This not only strains local finances but erodes the very fabric of community life and civic liberty. The government's policy framework, rather than rebalancing resources, has created a system where deprived councils are essentially forced to bear the brunt of austerity, essentially institutionalising a cycle of financial vulnerability.

2.2 A Tale of Two Infrastructures: Investment and Disinvestment

The selective nature of government policy is most evident in its approach to major infrastructure projects. In London, the Crossrail 2 project, with an estimated capital cost of £32.6 billion (and projections rising to £45 billion), continues to be pursued despite its moderate benefit-cost ratio (BCR) of 1.8.[16] The project is praised for its potential to ease congestion and improve travel times within the capital.[16]

In contrast, projects designed to benefit the North have been systematically delayed, scaled back, or cancelled. The most significant example is the cancellation of Phase 2 of the High Speed 2 (HS2) railway, which would have connected the West Midlands to Manchester.[17] A parliamentary committee report has now concluded that the scaled-back HS2 project from London to Birmingham represents "very poor value for money" and that its costs "significantly outweigh its benefits".[17] This decision to cancel the northern leg has effectively created a truncated railway that fails to deliver on the original promise of linking the North's major economic centres.

The discrepancy in investment is quantified by a 2017 study that found London's per-person transport infrastructure expenditure was £1,943, while the North's was just £427.[19] This juxtaposition highlights a fundamental contradiction: a costly London-based project with a moderate BCR is prioritised while a Northern project, which would have been a cornerstone of any genuine rebalancing, is now considered poor value for money only after its most crucial northern components were cancelled. This is a clear manifestation of a selective, politically motivated strategy that prioritises the interests of the London-centric coalition. The cancellation of the Northern leg of HS2 is a policy decision that actively undermines the stated goals of regional equality and institutionalises the infrastructure investment disparity, making a London-centric economic model a self-fulfilling prophecy.

2.3 The Competitive Lottery: A Scrutiny of Centralised Funds

The government's "Levelling Up" agenda, intended to address regional inequalities, has been implemented through competitive, centralised funds like the Levelling Up Fund (LUF) and UK Research and Innovation (UKRI) grants. However, the data reveals that this approach often serves as a "competitive lottery" rather than a true needs-based strategy.

A study from the University of Manchester found that while some northern areas received more than their "fair share" of LUF investment, the South of England was "consistently underfunded" relative to need.[20] This finding challenges a simple North-South narrative by revealing a more nuanced problem: only 36.2% of local authorities received funding "proportionate to their need".[20] For example, Havant in the South East received just £12.45 per person, 94% less than its needs-based allocation, while Redcar and Cleveland in the North received £469.70, more than double its needs-based share.[20] This analysis concludes that the competitive bidding process, which requires local authorities to expend "already stretched resources on competitive bids," structurally favours areas with stronger institutional capacity and the expertise to write compelling proposals, often at the expense of the most deprived areas that lack the resources to compete effectively.[4]

Similarly, while UKRI data shows a proportionate increase in investment outside the "Greater South East" (London, South East, and East of England), rising from 47% in 2021/22 to 50% in 2023/24, investment per person remains consistently higher within that dominant region.[21] The ratio of per-person investment inside versus outside the Greater South East, while narrowing, was still 1.7 to 1 in 2023/24.[21] These findings indicate that while there may be a rhetorical commitment to "levelling up," the policy framework itself remains structurally flawed. Instead of a systemic redistribution of resources based on need, the current system allows for discretionary, competitive allocation that can reward capacity over deprivation.

Table 1: Key Indicators of Regional Economic and Financial Disparity

Metric	London & the South East	The North
GDP per capita (selected regions) [2]	Inner London West: £213,400	South Yorkshire: £24,700
	Inner London East: £57,000	North Yorkshire: £31,900
	Berkshire, Buckinghamshire and Oxfordshire: £49,900	Greater Manchester: £32,400
Gross Disposable Household Income (GDHI) per head (2023) [1]	London: £35,361	North East: £19,977
	South East: £28,187	North West: £22,963
Local Authorities at risk of financial failure (1 year) [14]	London: 15%; South: 17%	North: 30%
Average Council Reserves (as % of net revenue expenditure) [14]	South: 152%	North: 49%
Transport Infrastructure Expenditure per person [19]	£1,943	£427

The data in Table 1 illustrates the foundational economic and financial disparities that characterise the UK. The profound difference in GDP and GDHI per capita reveals the vast chasm between London's wealth and the North's economic output. This is not simply a gap but a fundamental structural difference. The figures on local authority financial health and transport spending provide quantifiable evidence of the policy decisions that perpetuate this imbalance. The North is not only less wealthy but is also systematically less resilient and receives a disproportionately small share of national investment.

3. The Broken Covenant: A Social and Economic Decline in the North

The economic and fiscal disparities outlined in the previous sections are not abstract concepts. They have a direct, measurable impact on the fundamental wellbeing and prosperity of people in the North. This section provides the data to demonstrate how the selective policies of the central government contribute to a quantifiable decline in public health and economic opportunity, which amounts to a breach of the social contract.

3.1 A Crisis of Wellbeing: Health and Public Service Outcomes

A core duty of the state is to protect the life and health of its citizens. The evidence suggests that this duty is not being fulfilled equally across the country. Data from the ONS shows a significant and growing gap in life expectancy between the regions. In 2020-2022, the gap in male life expectancy at birth between the South East (highest at 80.1 years) and the North East (lowest at 77.2 years) was 3.0 years.[22] For women, the gap between the highest-ranking South West (83.9 years) and the lowest-ranking North East (81.2 years) was 2.8 years.[22]

This disparity is even more pronounced when considering "healthy life expectancy," which measures the number of years a person can expect to live in good health. Data from the Health Foundation shows that the 10 local authorities with the lowest healthy life expectancy were all located in the North and Midlands, while none were in London, the South East, or the East of England.[23] Blackpool, in the North West, had the lowest healthy life expectancy for both men (53.5 years) and women (54.3 years).[23]

These health outcomes are not a coincidence but a direct consequence of a political economy that has systematically deprived certain regions of resources. The data from NHS England reveals that patients in the most deprived areas of the country face longer wait times for treatment, with a higher proportion of patients waiting over a year compared to those in the least deprived areas.[24] While the NHS allocates resources using a weighted capitation formula to direct more funding to areas with "higher health needs," the stark reality of the life expectancy gap indicates that this mechanism is failing to address the deep, systemic socioeconomic drivers of health that are rooted in economic inequality.[25] This suggests that the crisis is not merely a matter of health policy but a fundamental breach of the social contract, where a political economy that favours one region over another has led to a quantifiable decline in public health and a denial of the right to a healthy life.

Table 2: Health and Social Outcome Indicators

Metric	Highest-ranked Region/Local Authority	Lowest-ranked Region/Local Authority
Male Life Expectancy (2020-22) [22]	South East (80.1 years)	North East (77.2 years)
Female Life Expectancy (2020-22) [22]	South West (83.9 years)	North East (81.2 years)
Male Healthy Life Expectancy (Local Auth.) [23]	Rutland (74.7 years)	Blackpool (53.5 years)
Female Healthy Life Expectancy (Local Auth.) [23]	Orkney Islands (77.5 years)	North Ayrshire (54.0 years), Blackpool (54.3 years)
Patients waiting > 1 year for treatment (most vs. least deprived areas) [24]	3.1% in most deprived areas	2.7% in least deprived areas

3.2 The Hollowing Out: Quantifying the Erosion of Local Liberty

The decline of local government funding has not just strained services; it has led to a quantifiable "hollowing out" of local governance, undermining the ability of communities to protect the very "liberty at the local level" mentioned in the query. Research by UNISON shows that central government funding cuts have resulted in a total of £11.3 billion being slashed from council budgets, with specific and devastating consequences for community services.[15] Examples include cuts of £60 million from parks, £82 million from children's centres, and £260 million from youth services.[15]

This is directly linked to the financial vulnerability of Northern councils. The Grant Thornton report revealed that the North's higher concentration of metropolitan boroughs and unitary authorities makes them five times more likely to be at risk of financial failure than the county councils more prevalent in the South.[14] These metropolitan and unitary authorities have a wider range of statutory responsibilities, including social care, which has seen demand and costs increase.[12] When a council is forced to choose between cutting discretionary spending on community-building services like libraries and youth clubs and protecting statutory responsibilities, the fabric of civic life is eroded.

The disproportionate impact of these cuts on the North demonstrates that this is not a universal problem but a targeted one. The most deprived councils, which are concentrated in the North, were hit hardest by the cuts in central grants because they were more reliant on that funding stream.[12] This systematic undermining of local governance denies communities the freedom to pursue their interests within a well-ordered society. By systematically weakening the local institutions responsible for that order, the state is failing in its duty to protect the liberty of its citizens equally across the country.

3.3 The Stagnation of Prosperity: Wages and Household Income

The final piece of this analysis quantifies the denial of the Lockean right to property, manifested not through overt seizure but through the systemic suppression of a region's economic potential. The data reveals that the North is a low-wage, low-wealth region, a direct outcome of a centralised political economy that exports prosperity to the South. An Institute for Fiscal Studies (IFS) paper shows that median household income, after housing costs, in the North East is 7% below the UK average, while in the South East, it is 9% above the average.[28]

The distribution of high-paying jobs is a key driver of this disparity. While almost 30% of full-time workers in London earn over £50,000 annually, only about 10% in the North East, Northern Ireland, and Wales do.[28] This "paucity of high-paying jobs" locks the North into a perpetual state of relative economic disadvantage.[28] ONS data on Gross Disposable Household Income (GDHI) reinforces this, with the 10 local areas with the highest GDHI per head all located in the South, while the 10 lowest were in the North or Midlands.[1]

The data collectively demonstrates that the economic system is structured to prevent equitable wealth accumulation. By concentrating high-value industries and jobs in London and the South East, the government's policies and historical neglect have effectively denied people in the North the opportunity to accumulate property and wealth at the same rate as their Southern counterparts. This has long-term consequences for economic mobility and the self-sufficiency of a region. While national policies like minimum wage increases have narrowed the gap at the very bottom of the income distribution, the fundamental disparity in high-paying jobs and wealth remains, demonstrating a systemic suppression of economic potential.

4. Conclusion and Strategic Insights

The data presented throughout this report collectively paints a compelling picture of a political economy that systematically favours a small, London-centric "winning coalition." The analysis demonstrates that the economic dominance of the South, evidenced by stark disparities in GVA, GDHI, and wealth, is not a coincidence but a direct result of government policies and institutional structures. The centralisation of the lobbying industry, the selective distribution of capital through infrastructure and competitive grants, and the regressive nature of local government funding cuts all serve to perpetuate this core-periphery model.

This systemic imbalance has profound social consequences. The data on life expectancy, healthy life expectancy, and NHS waiting times reveals a quantifiable decline in public health and a breach of the state's most basic duty to protect its citizens. The "hollowing out" of local government, brought on by fiscal policies that disproportionately punish the most deprived areas, erodes the fabric of local liberty. Finally, the stagnation of wages and income in the North demonstrates a systemic denial of the right to property, locking a significant portion of the population into a state of perpetual economic disadvantage.

The report concludes that these are not isolated policy failures. They are symptomatic of a deeply ingrained, almost institutionalised, core-periphery model of governance. The "Westminster Handbook," as it were, is not based on a balanced, national-first strategy but on a regime that systematically benefits one region at the expense of others through a self-reinforcing cycle of centralized power, selective investment, and political-economic capture. A genuine rebalancing of the nation would require a fundamental restructuring of this system, moving beyond competitive grants and piecemeal projects to a truly needs-based, decentralised model of governance and investment.

Works cited

1. Regional gross disposable household income, UK - Office for ..., accessed September 17, 2025, https://www.ons.gov.uk/economy/regionalaccounts/grossdisposablehouseholdincome/bulletins/regionalgrossdisposablehouseholdincomegdhi/1997to2020
2. List of regions of the United Kingdom by GRP per capita - Wikipedia, accessed September 17, 2025, https://en.wikipedia.org/wiki/List_of_regions_of_the_United_Kingdom_by_GRP_per_capita
3. COMBINED AND UNEVEN DEVELOPMENT: REFLECTIONS ON ..., accessed September 17, 2025, https://www.jbs.cam.ac.uk/wp-content/uploads/2023/05/cbrwp305.pdf

4. The North-South Divide: Decentralising English Democracy | Centre Think Tank, accessed September 17, 2025, https://centrethinktank.co.uk/2023/08/the-north-south-divide-decentralising-english-democracythe-north-south-divide/
5. Public Affairs Consultancy - Consulting Organisations involved in government relations, policy & communications - PubAffairs Resource Centre, accessed September 17, 2025, https://www.publicaffairsnetworking.com/public-affairs-consultancy.php
6. Search the Register - Office of the Registrar of Consultant Lobbyists - Login, accessed September 17, 2025, https://orcl.my.site.com/CLR_Search
7. Palace of Westminster - Wikipedia, accessed September 17, 2025, https://en.wikipedia.org/wiki/Palace_of_Westminster
8. ORCL, accessed September 17, 2025, https://registrarofconsultantlobbyists.org.uk/
9. New research reveals Westminster's Lobbying Register to be the ..., accessed September 17, 2025, https://newsroom.cipr.co.uk/new-research-reveals-westminsters-lobbying-register-to-be-the-least-transparent-in-the-west/
10. New research reveals Westminster's Lobbying Register to be the least transparent in the West - Public Affairs Networking, accessed September 17, 2025, https://www.publicaffairsnetworking.com/news/new-research-reveals-westminster-s-lobbying-register-to-be-the-least-transparent-in-the-west
11. Lobbying in the United Kingdom - Wikipedia, accessed September 17, 2025, https://en.wikipedia.org/wiki/Lobbying_in_the_United_Kingdom
12. Local government funding in England | Institute for Government, accessed September 17, 2025, https://www.instituteforgovernment.org.uk/explainer/local-government-funding-england
13. Local government in England - Wikipedia, accessed September 17, 2025, https://en.wikipedia.org/wiki/Local_government_in_England
14. Regional inequalities in England weakening councils' financial ..., accessed September 17, 2025, https://www.grantthornton.co.uk/news-centre/regional-inequalities-in-england-weakening-councils-financial-resilience/
15. Cuts to local services | Key issues | UNISON National, accessed September 17, 2025, https://www.unison.org.uk/at-work/local-government/key-issues/cuts-to-local%20services
16. Crossrail 2 - UK Parliament, accessed September 17, 2025, http://researchbriefings.files.parliament.uk/documents/CBP-8481/CBP-8481.pdf
17. HS2: Update following the Northern leg cancellation - Committees ..., accessed September 17, 2025, https://committees.parliament.uk/work/8581/hs2-update-following-the-northern-leg-cancellation/

18. Project rescoping: Phase Two cancellation - HS2, accessed September 17, 2025, https://www.hs2.org.uk/in-your-area/assistance-for-property-owners/project-rescoping-phase-two-cancellation/
19. Northern Powerhouse - Wikipedia, accessed September 17, 2025, https://en.wikipedia.org/wiki/Northern_Powerhouse
20. New research finds that 'Levelling Up' left many southern areas behind, accessed September 17, 2025, https://www.manchester.ac.uk/about/news/levelling-up-left-many-southern-areas-behind/
21. Geographical distribution of UKRI funding, financial years 2022 to ..., accessed September 17, 2025, https://www.ukri.org/publications/2022-to-2023-and-2023-to-2024-geographical-distribution-of-funding/geographical-distribution-of-ukri-funding-financial-years-2022-to-2023-and-2023-to-2024/
22. Life expectancy for local areas in England, Northern Ireland and ..., accessed September 17, 2025, https://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/healthandlifeexpectancies/bulletins/lifeexpectancyforlocalareasoftheuk/between2001to2003and2020to2022
23. Map of healthy life expectancy at birth - The Health Foundation, accessed September 17, 2025, https://www.health.org.uk/evidence-hub/health-inequalities/map-of-healthy-life-expectancy-at-birth
24. Patients in England's most deprived areas wait longer for NHS ..., accessed September 17, 2025, https://www.theguardian.com/society/2025/jul/17/nhs-patients-england-deprived-nhs
25. Fair Shares - a guide to NHS allocations, accessed September 17, 2025, https://www.england.nhs.uk/wp-content/uploads/2020/02/nhs-allocations-infographics-v3-23-24.pdf
26. How much public spending does each area receive? Local authority level estimates of health, police, school and local government spending, accessed September 17, 2025, https://ifs.org.uk/publications/how-much-public-spending-does-each-area-receive-local-authority-level-estimates-health
27. Local Government Finance Settlement 2025/26 - UK Parliament, accessed September 17, 2025, https://researchbriefings.files.parliament.uk/documents/CBP-10184/CBP-10184.pdf
28. Catching up or falling behind? Geographical inequalities in the UK ..., accessed September 17, 2025, https://ifs.org.uk/sites/default/files/output_url_files/Geographical-inequalities-in-the-UK-how-they-have-changed.pdf