PwC's Good Growth Barometer

Making growth count: driving local impact

September 2026
#GoodGrowth

Foreword

The Prime Minister's ambition for "good growth in every postcode" sets a clear test for the UK's growth agenda: not simply whether the economy grows, but whether people and places truly feel the benefit.

Meeting that test starts with a clearer understanding of where the UK's economic growth potential lies. The Industrial Strategy, together with the devolved and local plans that sit beneath it, is bringing greater focus to the sectors, places and opportunities that can drive growth. Progressive devolution should build on that, giving places more responsibility for shaping their own economic futures.

But identifying where growth can come from is only a starting point. What matters is whether growth translates into greater prosperity, opportunity and wellbeing for people and communities. That experience is shaped not only by income, but by whether people have access to jobs, services, suitable housing, good health and the wider conditions needed to participate in the opportunities that growth creates.

And those conditions can vary markedly from place to place - sometimes even between neighbouring communities.

As more decisions move closer to places through devolution, understanding those differences becomes increasingly important. Local leaders need to be able to see where economic opportunity is translating into better outcomes, where it is not, and which local conditions may be holding progress back.

For more than a decade, PwC's Good Growth for Cities research has explored why economic progress improves lives more effectively in some places than others. This Good Growth Barometer report builds on that legacy, providing a more granular view of local prosperity and the unique set of factors that shape it.

By connecting growth ambitions more closely with the circumstances of individual places, it is intended to support better choices about where to focus attention, how to target investment, and ultimately how to ensure

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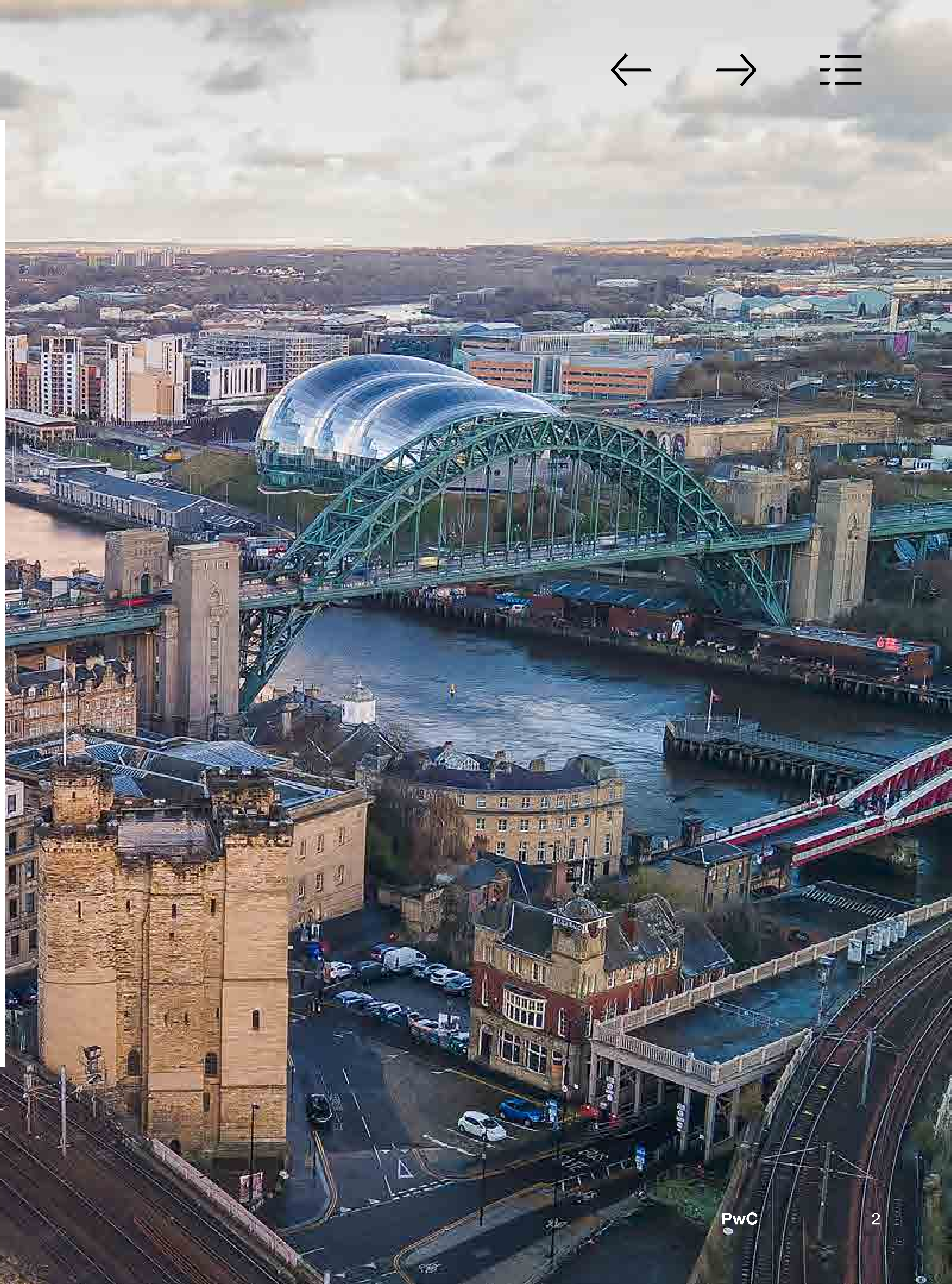

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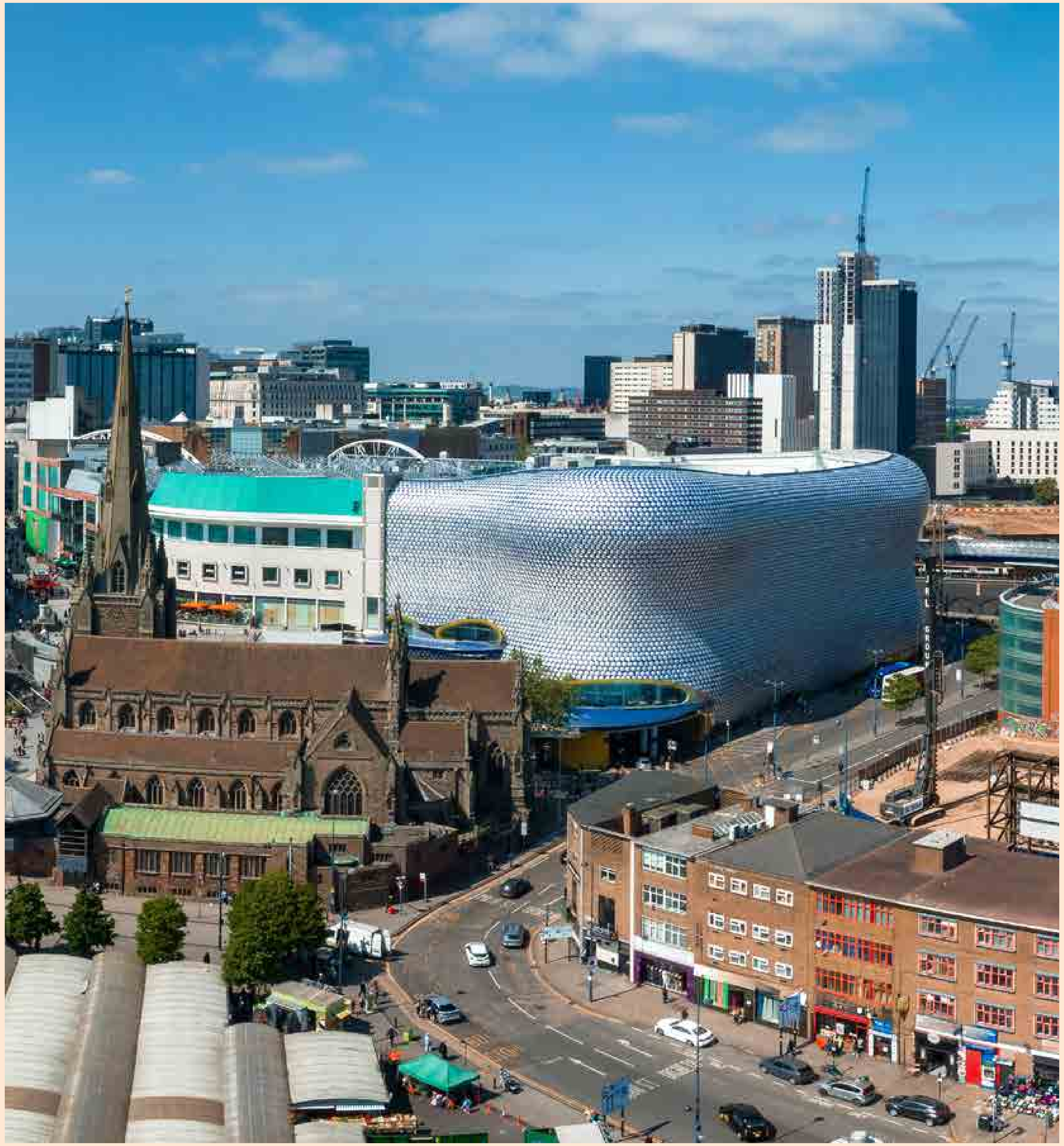


Making “good growth in every postcode” a reality requires a clearer understanding of three questions:

01	**What does good growth mean for people and communities?**
02	**Where do the barriers and opportunities lie?**
03	**How can policy, investment and local leadership respond?**

The Good Growth Barometer, powered by PwC’s new Place-Based Intelligence Model, connects these questions to the evidence needed to make better local choices. It looks beyond headline economic performance to examine how prosperity and wellbeing are experienced across places, and helps identify the factors most closely associated with stronger or weaker outcomes locally.

The analysis reveals a more complex geography of growth than national or regional averages alone can show. Economic strength does not always translate into greater household prosperity or better quality of life, while places with similar headline outcomes can face very different underlying challenges. Understanding those differences is critical to targeting investment and intervention more effectively.

Evidencing what good growth means for different communities

PwC’s Place-Based Intelligence Model combines a measure of household spending power with around 50 social and environmental factors that impact wellbeing outcomes. Using the wellbeing valuation method, aligned with HM Treasury’s Green Book and relevant OECD guidance, the impact on wellbeing is translated into monetary values, allowing outcomes such as health, housing and financial resilience to be considered alongside conventional economic measures. The model provides a consistent benchmark across local authorities, but its main strength lies beneath the combined Public Value Score (PVS): identifying the factors most closely associated with stronger or weaker outcomes in each place. This can help business and government decision makers compare local economic and social conditions, identify the factors most closely associated with stronger or weaker outcomes, and test whether investment is focused on what matters most locally.

Find out more

For the first time, we can assess economic and social outcomes together at a hyper-local level, using a common basis to understand their respective contribution to wellbeing. This provides a more complete picture of what is shaping outcomes in each place. **Our research reveals four clear conclusions about how growth is experienced, and where both barriers and opportunities exist**:

01

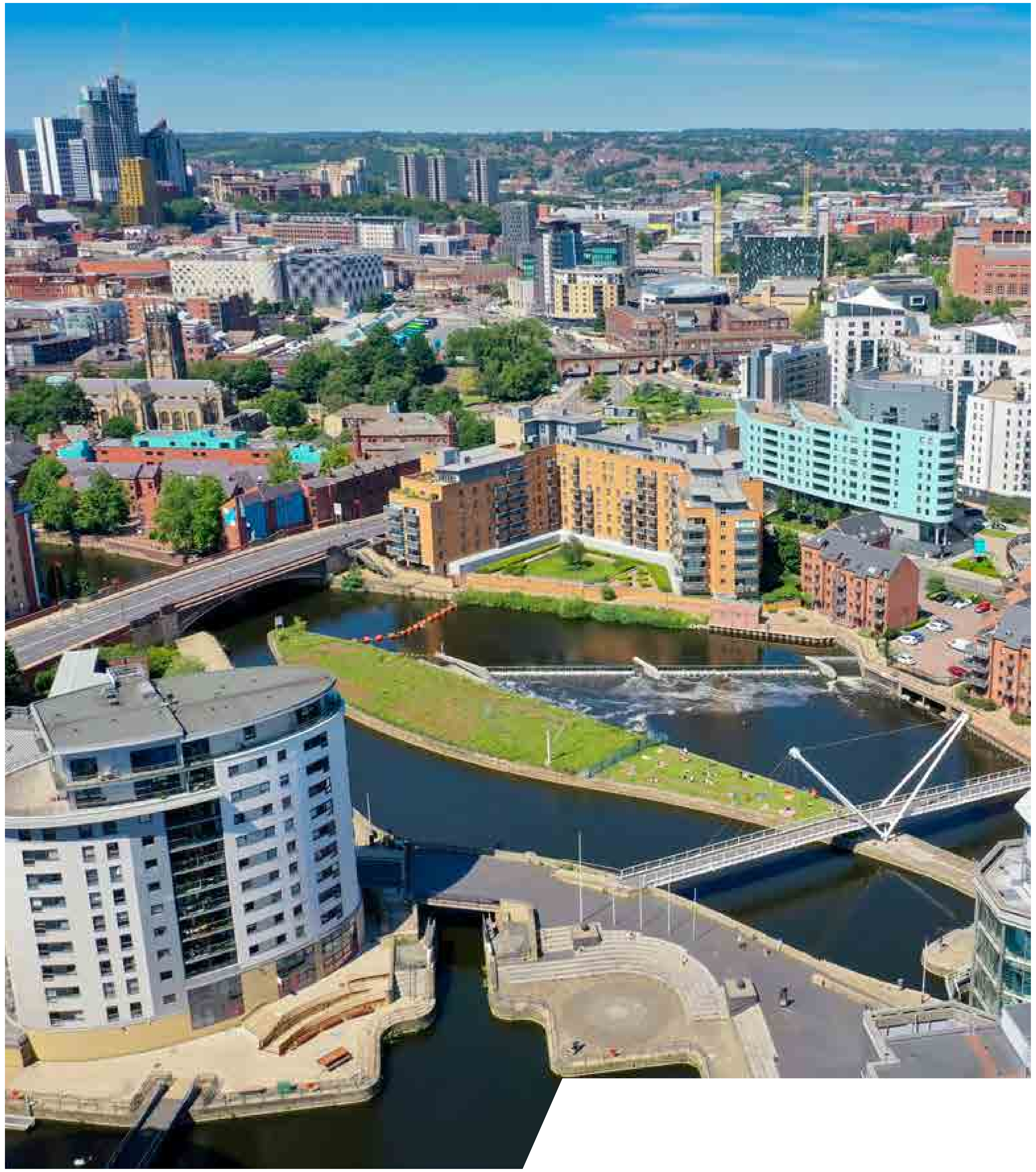
Housing costs materially reduce how far economic growth translates into household spending power.

Nationally, a 1% rise in GDP is associated with a 0.4% rise in real weekly household income, but this falls to 0.3% once housing costs are deducted. On average, this suggests that **around 25% of the potential household income gain associated with growth is absorbed by housing costs.**

02

The economic strength of a place does not map neatly onto household prosperity.

Once housing costs and household composition are taken into account, income advantages can narrow sharply or even reverse. For example, London's strong gross income position is significantly eroded by higher housing costs and larger households, while comparatively lower housing costs moves Scotland from below average gross income to slightly above average household spending power. Elsewhere, lower costs can narrow income gaps, but are not always enough to overcome them.



03

Households' economic position does not alone determine whether places are experiencing the benefits of growth.

Bringing health, financial resilience, housing and other social and environmental outcomes alongside household spending power materially changes how we perceive the UK's geography of good growth. Across the analysis, health emerges as one of the clearest factors distinguishing stronger and weaker public value, often alongside financial insecurity and housing pressures. This demonstrates that improving good growth requires attention to the wider conditions that enable people to benefit from economic opportunity.

Around

46%

of the UK population, **equivalent to 12.5 million households**, live in areas where economic growth is translating less effectively into a better quality of life.

04

The factors shaping good growth differ significantly between places, and even neighbouring communities.

Poorer mental and physical health may be particularly important in one community, while housing, financial resilience, social connectivity or the local environment may matter more elsewhere. This variation exists not only between regions and devolved nations, but within them, with some stark contrasts noticeable between neighbouring communities.

Even neighbouring authority areas can require very different responses

In Greater Manchester for example, Rochdale faces particular challenges around health and financial resilience, while nearby Trafford performs relatively strongly in these areas but faces greater environmental pressures. In the South East, neighbouring Slough and Windsor & Maidenhead similarly record very different outcomes across household spending power, health, housing and financial resilience.

Turning local intelligence into investment and impact

Utilising more in-depth local insight allows for a shared evidence base that can help local leaders bring different interventions together around the outcomes that matter most in each place, rather than addressing them through separate policy or funding silos.

This has particular relevance as devolution gives local leaders greater responsibility for growth, investment and delivery. Local Growth Plans can set out the sector strengths, skilled workforces, infrastructure and development opportunities that distinguish local economies, while better place-based insights can help identify the wider conditions needed to turn those opportunities into stronger outcomes for communities. It can therefore support choices about where resources are focused, how interventions are coordinated and what powers, funding and financing tools places may need to meet these objectives.

Acknowledgments

We would like to thank Tony Chapple and John Whittlestone from Office for National Statistics, and Raj Patel from Understanding Society, for facilitating timely access to the underlying data. We are also grateful to Andy Haldane CBE for his comments throughout the process of building the model, and Professor Michael Naef for external review of the model.

The findings point to five priorities for embedding good growth more firmly within the next phase of devolution:

01 Give places a greater stake in the growth they create.

Allowing places to retain more of the revenues generated by local growth could strengthen incentives and support a more participative approach, giving local leaders, businesses and communities a greater stake in the choices made and the benefits created. It could also provide greater certainty for long-term planning. This should be balanced by arrangements that ensure places with weaker tax bases are not disadvantaged, while success should be judged by improvements in household prosperity and opportunity as well as revenues.

02 Focus resources on what matters most in each place.

There is no single lever that will improve outcomes everywhere. Our analysis has highlighted the impact that housing costs have on the translation of economic growth to household spending power, but additional factors such as health, skills, financial resilience and other local conditions interact in different ways from one community to another, meaning similar outcomes can require very different responses. Better local insight can help decision makers understand those combinations, identify the factors most closely associated with local outcomes and prioritise limited resources around the interventions likely to make the greatest difference in each place.

03 Give local leaders more freedom to act.

The barriers to good growth cut across health, housing, skills, transport and financial resilience and combine differently from place to place. More flexible, longer-term funding can give leaders greater scope to coordinate action around local priorities, supported by better evidence and clear accountability for outcomes.

04 Ensure public procurement fully supports good growth.

Public procurement can play an important role in turning public spending into wider benefits for people and places. Better place-based intelligence can help by putting social and environmental outcomes on a more comparable basis with economic impacts, giving government, local leaders and businesses a Green Book aligned method to assess the wider value of different projects and funding decisions. It can also give suppliers a clearer way to demonstrate the broader value their proposals could create. This can help procurement reflect local priorities more closely, while supporting businesses to shape their contributions around the needs of the communities in which they operate.

05 Use devolution to attract investment that creates wider local value.

Local leaders should have greater ability to develop and assemble investment opportunities around their sector strengths, infrastructure and regeneration priorities. This should include access to development funding to bring projects to investment readiness, alongside a defined role in deploying national public finance institution capital. Good Growth Funds could provide one route, combining public anchor capital, local pension investment and wider private finance. They should aim to create investment propositions of sufficient scale and appropriate risk that can connect with concerted central government led efforts to build stronger relationships with institutional and overseas investors. Understanding in more detail the potential impact at a local level can then help demonstrate how these investments respond to local priorities and create wider value for communities.

Taken together, the analysis shows that good growth depends on more than identifying where economic opportunity exists. It requires a clear understanding of how that opportunity is experienced locally, what enables people to participate in it and how investment can strengthen the conditions that matter most. Enhanced local insight can help connect growth ambitions with those local realities, supporting more informed choices about where investment goes and the value it creates.

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02

Economic growth does not guarantee greater prosperity

Economic growth matters because of what it can ultimately deliver for people: better jobs, higher incomes and greater financial security

But growth does not translate automatically, or evenly, into higher living standards. Across the UK, households experience its benefits in very different ways.

For households, the benefits of growth depend not just on whether incomes rise, but on what those incomes can then afford. Housing costs and household composition can materially affect the resources people have left to spend or save, meaning higher incomes do not always translate into greater prosperity. Understanding how this relationship varies between places is therefore an important first step in assessing how effectively growth is improving living standards across the UK.

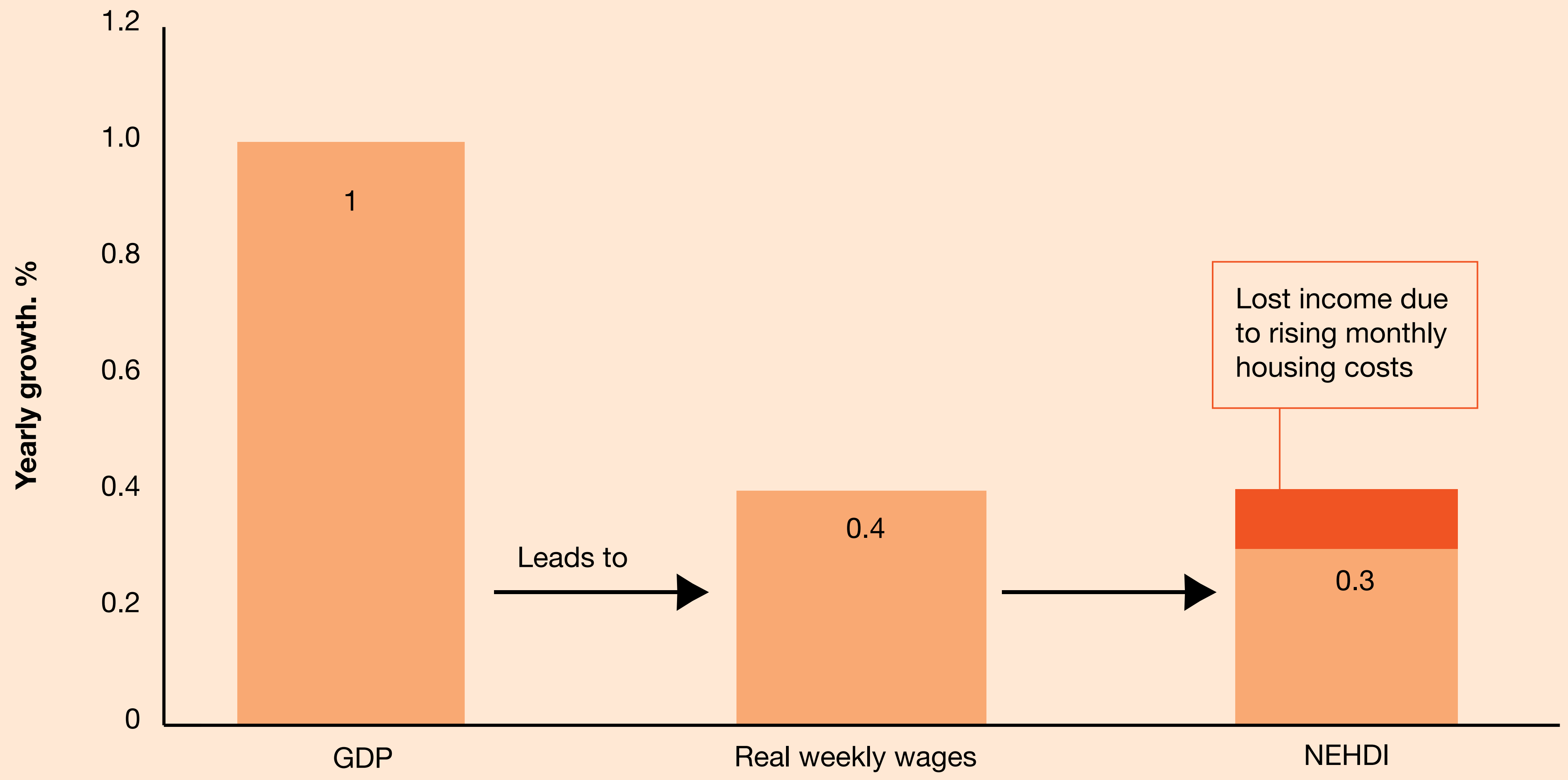
Charting the geography of household spending power – a new tool

PwC's new Place-Based Intelligence Model quantifies household spending power using a measure we refer to as Net Equivalised Disposable Household Income (NEDHI). This captures income after taxes and transfers, deducts major housing costs and adjusts for differences in household size and composition. It therefore gives a closer indication of the resources available to meet other expenses and improve living standards than output or gross earnings alone. Housing is central to this assessment. The same rise in income can produce a very different result depending on local rents, mortgage costs and tenure. Household composition also matters, as the same income may need to support one person or several.

Find out more

Our national analysis shows that the benefits of growth take time to reach household finances. Over the five quarters following a 1% rise in GDP, real weekly household income is associated with an increase of around 0.4%. Once housing costs are taken into account, the increase in household spending power is lower still, at 0.3%.

Only a fraction of GDP becomes household spending power



This suggests that, in the shorter run, housing costs absorb around a quarter of the potential household income gain, further limiting how quickly economic growth translates into improved living standards.

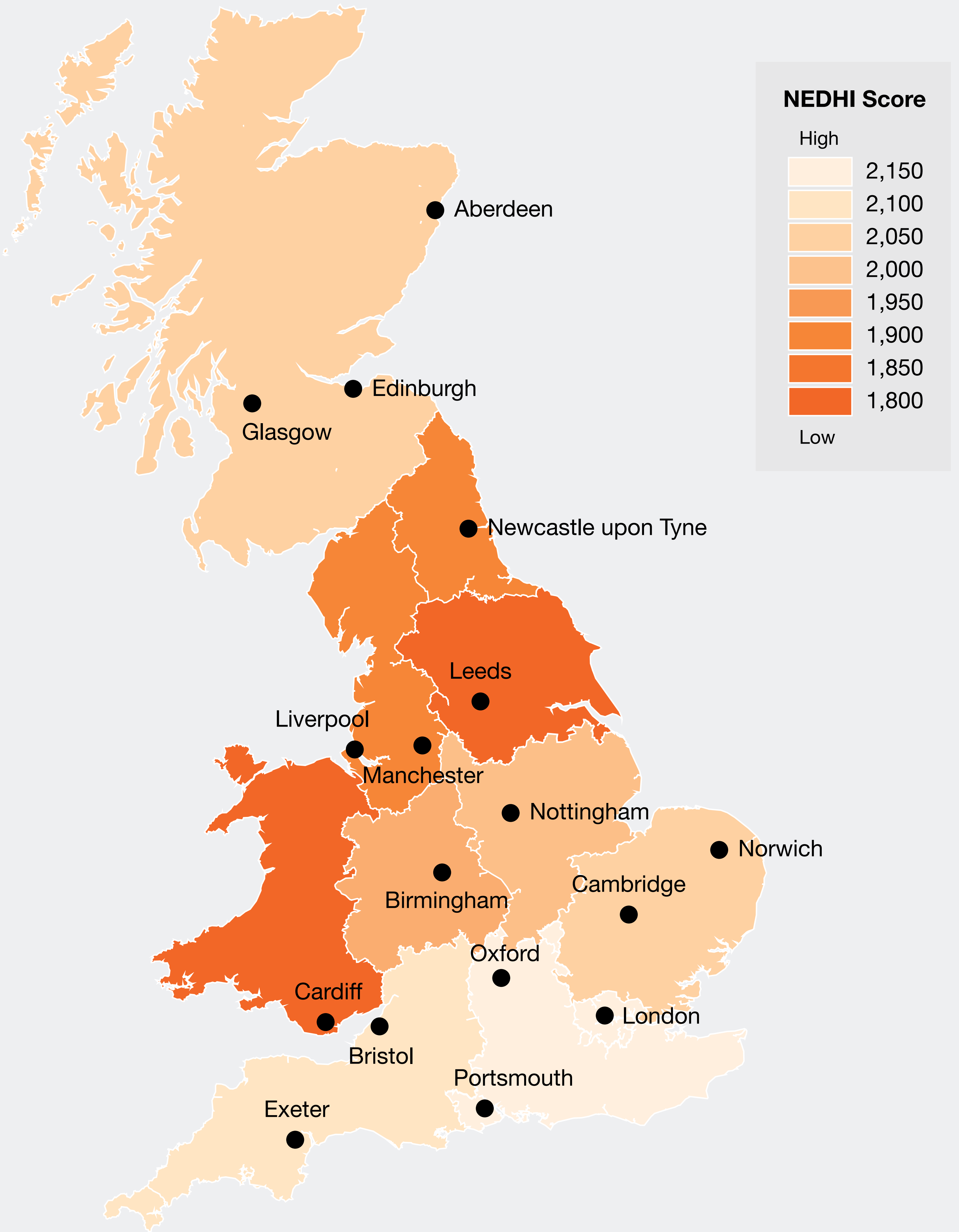
How household spending power varies across regions and nations

The regional and devolved national results reveal three broad patterns in how income, housing costs and household composition combine to shape household spending power.

£23,371

average annual UK household spending power

Annual household spending power (NEDHI) by region and devolved nation



Region	Annual NEDHI	Difference from average UK household (£23,371)
South East	£25,524	£2,154
London	£25,254	£1,883
South West	£24,263	£892
East of England	£23,627	£256
Scotland	£23,546	£175
East Midlands	£22,752	-£618
West Midlands	£22,552	-£819
North West	£21,878	-£1,493
North East	£21,828	-£1,542
Wales	£21,616	-£1,754
Yorkshire and The Humber	£21,454	-£1,917

Geographies with high incomes but higher costs

The South East, London and the East of England all begin with household incomes above the UK average, but retain that advantage to different degrees.

- The South East records the highest household spending power, at around 9% above the UK average (+£2,154 a year). Its relatively high incomes are partly offset by housing costs, although these remain well below London's
- London has the strongest gross income position, at 20.4% above average. However, much higher housing costs and larger households reduce that lead, leaving household spending power only 8.1% above the UK average (+£1,883 a year). **Explore the variation across London**
- In the East of England, gross household income is 4.2% above average, but higher housing costs and larger households reduce the spending power advantage to just 1.1% (+£256 a year)

Geographies where lower costs lift prosperity

In the South West and Scotland, housing costs and household composition lift spending power above what gross income alone might suggest.

- South West household income is only 1.1% above the UK average, but lower housing costs and smaller households raise spending power to 3.8% above average (+£892 a year)
- Scotland starts with gross household income 5.5% below the UK average. Lower housing costs and smaller households more than close that gap, leaving spending power 0.8% above average (+£175 a year)
- Lower costs also narrow the gap in the East Midlands and West Midlands, although not enough to move either above the UK average. In the East Midlands, a 5.7% gross income shortfall becomes a 2.6% spending power gap (–£618 a year). In the West Midlands, the corresponding figures are 4.2% and 3.5% (–£819 a year)

Geographies where weaker incomes dominate

In the North West, North East, Wales and Yorkshire & Humber, cheaper housing softens the effect of weaker household incomes but does not overcome it.

- Gross household income is 9.4% below the UK average in the North West and 9.8% below average in the North East. Household spending power remains 6.4% below average in the North West (–£1,493 a year) and 6.6% below average in the North East (–£1,542 a year)
- Wales has the largest gross income shortfall, at 14.3% below the UK average. However, lower housing costs and smaller households reduce the spending power gap to 7.5% (–£1,754 a year)
- Yorkshire & Humber has the lowest housing costs of any region covered by the analysis, but gross household income is 10.8% below average. Household spending power remains 8.2% below the UK average (–£1,917 a year), the lowest regional result

Northern Ireland: indicative economic findings

Separate analysis suggests that gross household income for Northern Ireland sits at 4.8% below the UK average, while it's household spending power equates to 3.9% below (-3.9%) equivalent to around **-£914 a year**. These results are not included in the main regional rankings because differences in the underlying data mean they are not yet fully comparable with the results for Great Britain.[1]

[1] The methodology used to estimate Economic Value is consistent with that used for Great Britain, but differences in Annual Population Survey sampling mean further robustness testing is required before the Northern Ireland results can be considered fully comparable with the main regional analysis.

A North–South divide in household prosperity

The analysis reveals a broad North–South pattern in household spending power, driven primarily by differences in gross household income. The South East, London, South West and East of England all record incomes above the UK average and household spending power scores remains above average once housing costs and household composition are taken into account. By contrast, the North West, North East and Yorkshire & Humber start with materially lower household incomes and remain well below the national average for household spending power.

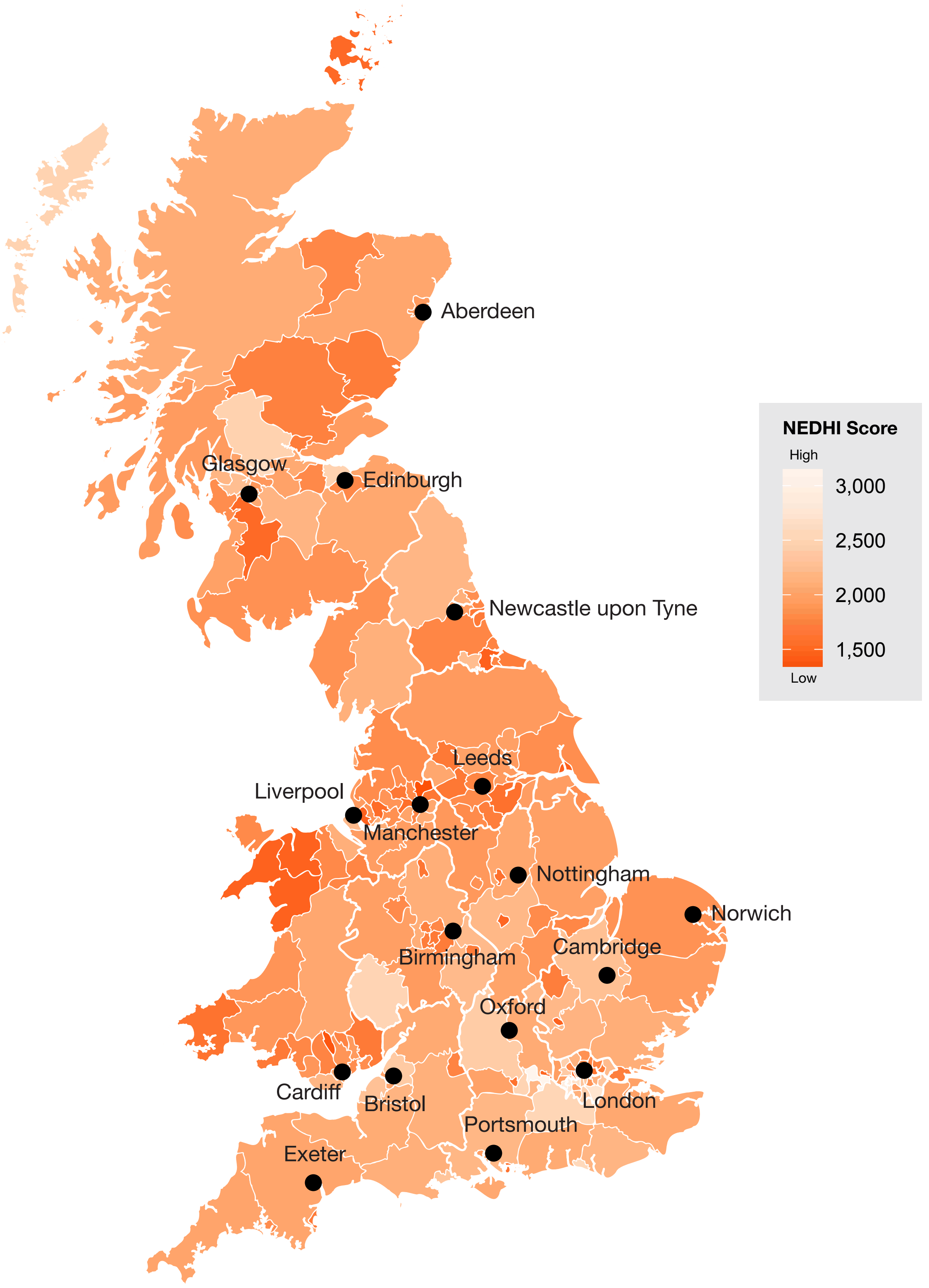
Differences in housing costs narrow this divide but do not remove it. Higher costs in southern regions absorb some of their income advantage, while lower costs in the North partly cushion weaker incomes. But in most cases the underlying income gap is too large to overcome. Scotland provides an important exception, where relatively low housing costs and smaller households are sufficient to turn below-average gross income into slightly above-average spending power.

These patterns should not obscure significant variation within both the North and South.

Looking beneath regional and devolved national averages

Regional and devolved national figures show how growth is translated into household spending power at very different rates across the UK, but a deeper look reveals sharp contrasts between neighbouring local authority areas. Some strong employment centres sit alongside communities where residents have much less money available after housing costs, even though both areas form part of the same labour market.

Household spending power score by local authority



Top 10 and bottom 10 local authority areas by household spending power (NEDHI)

Top performing local authority areas

Region	Local Authority	NEDHI	Deviation from national average
South East	Windsor and Maidenhead	£37,766	£13,661
London	Richmond upon Thames	£35,453	£11,548
London	Kingston upon Thames	£33,178	£9,272
London	Bromley	£32,981	£9,075
London	Wandsworth	£32,283	£8,377
Scotland	East Dumbartonshire	£31,384	£7,478
South East	Brighton and Hove	£31,020	£7,114
London	Islington	£30,614	£6,708
South East	Surrey	£30,541	£6,635
London	Camden	£30,410	£6,504

Bottom performing local authority areas

Region	Local Authority	NEDHI	Deviation from national average
North West	Rochdale	£16,137	-£7,769
Wales	Merthyr Tydfil	£16,570	-£7,336
Yorkshire and the Humber	Kingston upon Hull	£17,450	-£6,455
North East	Stockton-on-Tees	£17,523	-£6,382
North West	Liverpool	£17,644	-£6,262
Wales	Gwynedd	£17,678	-£6,228
Wales	Conwy	£17,740	-£6,165
East of England	Luton	£17,755	-£6,150
South East	Slough	£17,956	-£5,950
East Midlands	Leicester	£18,060	-£5,845

Mapping this at local authority area level begins to reveal a more granular geography of prosperity: where the gains from economic activity are broadly shared, where they are concentrated and where communities are benefiting less from the growth taking place nearby.

The reasons differ from place to place. In one area, the main constraint may be the availability of well-paid work. Elsewhere, weak transport connections or a mismatch between local skills and nearby jobs may limit people's ability to access the opportunities being created.

Good growth policy therefore needs to consider not only where economic opportunities are created, but whether people can access them and whether doing so translates into higher household living standards. Household spending power provides an important measure of that relationship. But household prosperity is only one part of how people experience growth. The important questions are what does good growth mean for people and communities, and where do the barriers and opportunities lie?

03

Good growth is much broader than household prosperity

Household spending power provides an important measure of whether economic growth is improving living standards

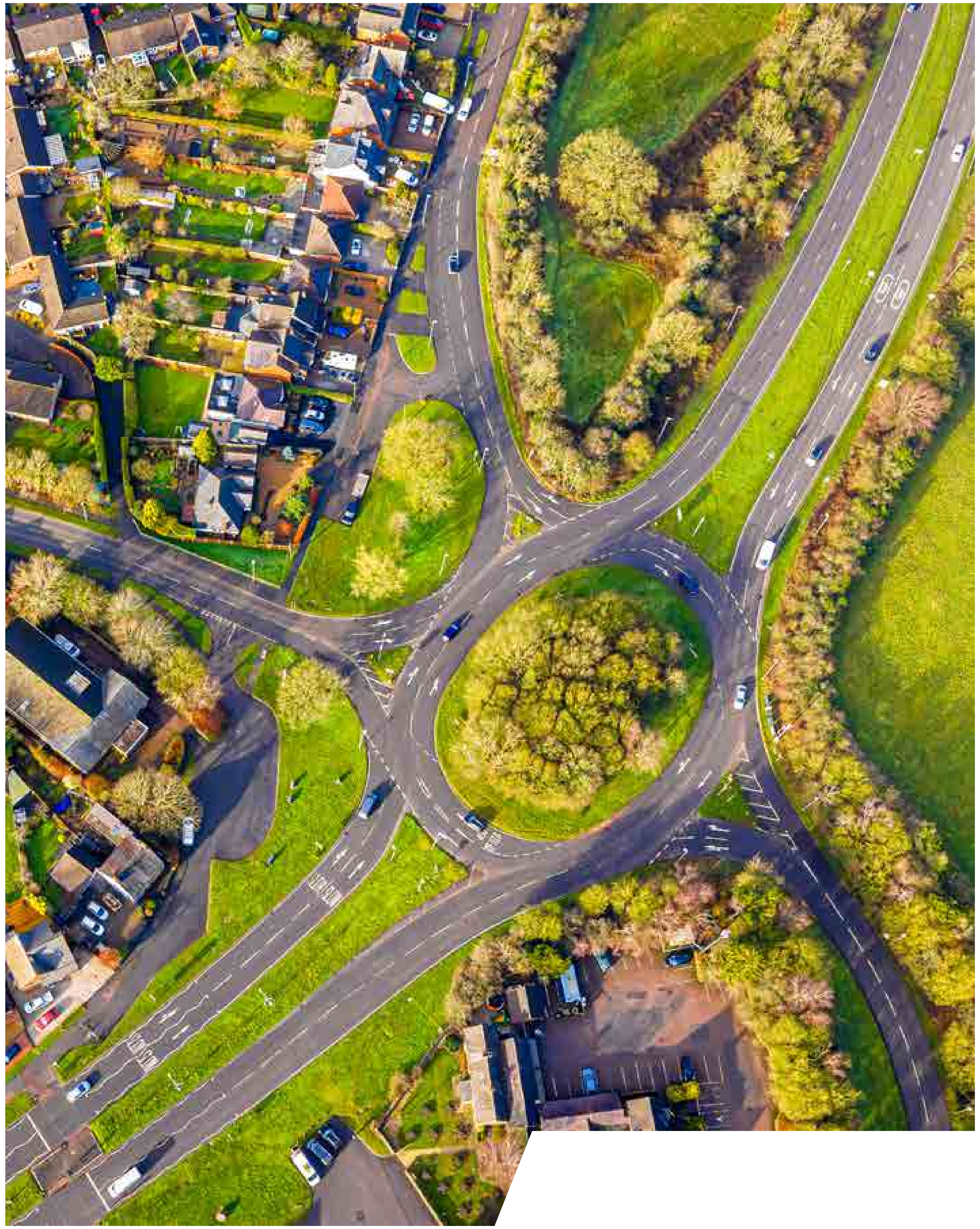
But good growth is broader than household finances. Outcomes such as health, financial security, housing and the quality of the local environment also shape people's wellbeing and their ability to participate in, and benefit from, economic opportunity.

Bringing these outcomes together reveals a different geography of prosperity, including places where relatively strong economic performance is not matched by equally strong social and environmental outcomes.

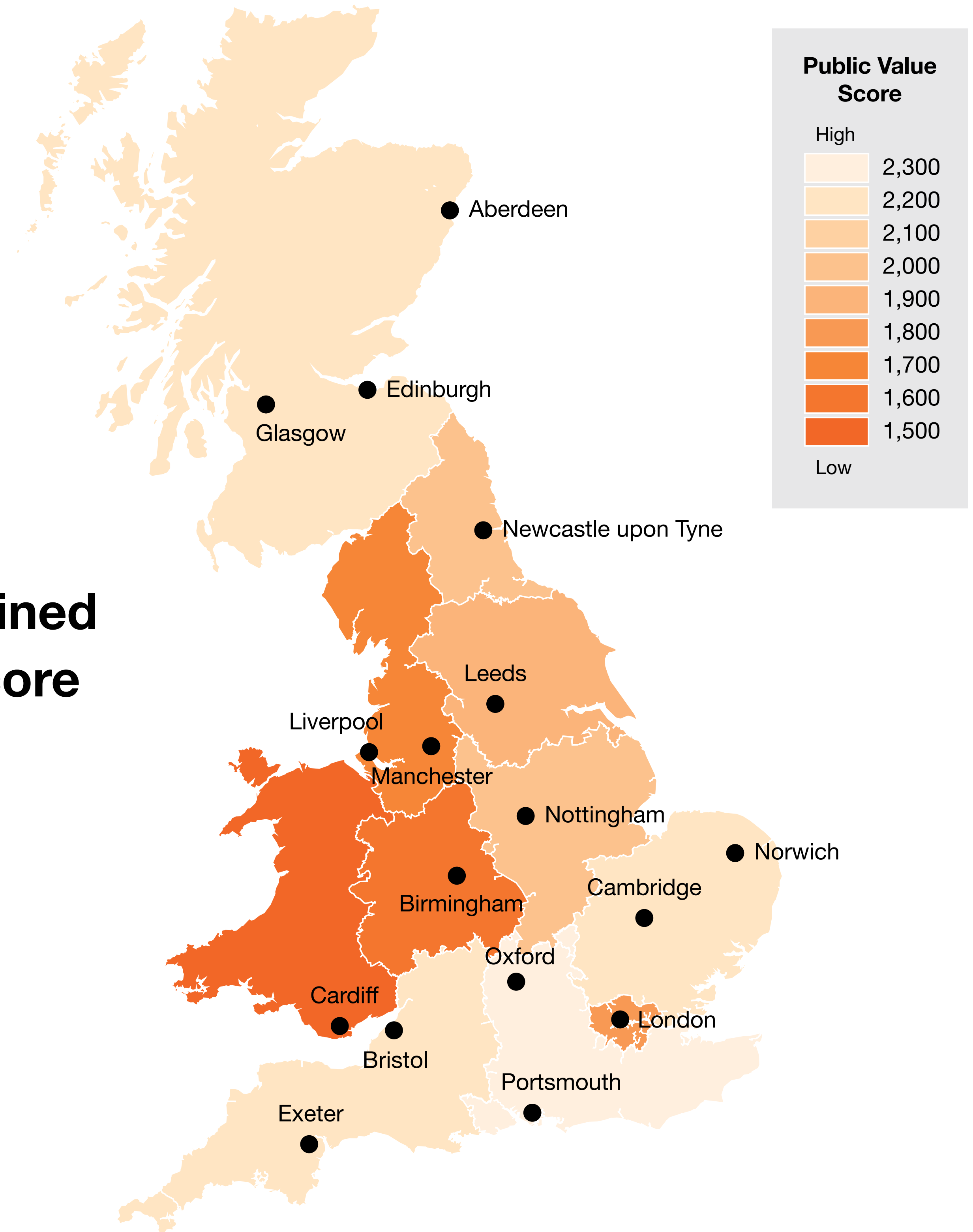
Mapping the geography of social value

Using PwC's new Place-Based Intelligence Model, the Barometer measures how wider social and environmental conditions contribute to wellbeing outcomes. Drawing on Office for National Statistics (ONS) and UK Data Service (UKDS) microdata, the model estimates the impact of around 50 social and environmental factors on people's life satisfaction. These include financial resilience, work, housing, health, safety, social connection, green space and environmental quality. The estimated effects are then converted into monetary values, allowing these non-market, or 'social', impacts to be considered on a comparable basis alongside conventional economic measures in policy appraisal. This analysis is combined with our assessment of household spending power to determine an area's Public Value Score, which provides a broader view of how well places are converting economic strength into higher living standards and a better quality of life.

Find out more



Regional combined Public Value Score



Regions and devolved nations Public Value Score ranking

GB ranking	Region/devolved nation
1	South East
2	Scotland
3	South West
4	East of England
5	East Midlands
6	North East

GB ranking	Region/devolved nation
7	London
8	Yorkshire and The Humber
9	North West
10	West Midlands
11	Wales

Different maps of prosperity

While London, along with parts of the North West and West Midlands, perform relatively well on economic measures, they fare less strongly on wider indicators of wellbeing. Scotland and the South West show a different pattern, with more modest economic performance supported by stronger outcomes in areas such as health and financial resilience.

Stronger growth remains essential, but it is only part of the picture. Places also need to address the local conditions that shape whether people are able to benefit from it.

Northern Ireland: indicative social value findings

The available evidence suggests that Northern Ireland performs particularly strongly on social value. Analysis using Understanding Society indicates that its Social Value Score may be the highest among UK nations and regions. This finding should be treated as indicative, however, as comparable data are not currently available for all of the social and environmental factors included in the analysis.[2]

[2] The Understanding Society methodology used to estimate Economic and Social Value is comparable with that used for Great Britain. However, there are differences in Annual Population Survey sampling in Northern Ireland, while comparable Crime Survey for England and Wales and People and Nature Survey data are not available. Further robustness testing is therefore required before Northern Ireland can be included on a fully comparable basis in the main rankings.

Charting good growth across the regions and nations

The South East records one of the highest combined Public Value Scores in our analysis, reflecting the strongest household spending power with positive social and environmental outcomes for its residents. Scotland ranks second, followed by the South West, East of England and East Midlands.

Scotland follows a different pattern. Lower housing costs and smaller households support its economic position, while financial resilience, jobs and health and wellbeing contribute positively to social value. Together, these place Scotland near the top of the regional and devolved national ranking.[3]

[3] Comparable objective crime data is not available for Scotland, so the safety component is not included on the same basis as it is for English regions.

The broader regions and nations picture is mixed. The South West, East of England and East Midlands benefit from stronger health and financial resilience, with some additional support from housing, social connection or safety. In Wales, the North East, North West and West Midlands, weaker health and greater financial insecurity weigh more heavily on public value. The local environment and access to green space are recurring pressures across both groups, showing that even the stronger-performing regions have clear areas for improvement.

London's geography of good growth

London illustrates why understanding good growth requires looking beyond both headline economic performance and regional averages. Beneath the capital's relatively strong economic position lies a much more varied picture across boroughs, with no simple divide between inner and outer London. Income remains an important driver of household finances, but differences in housing costs and household size mean similar levels of spending power can reflect quite different underlying circumstances.

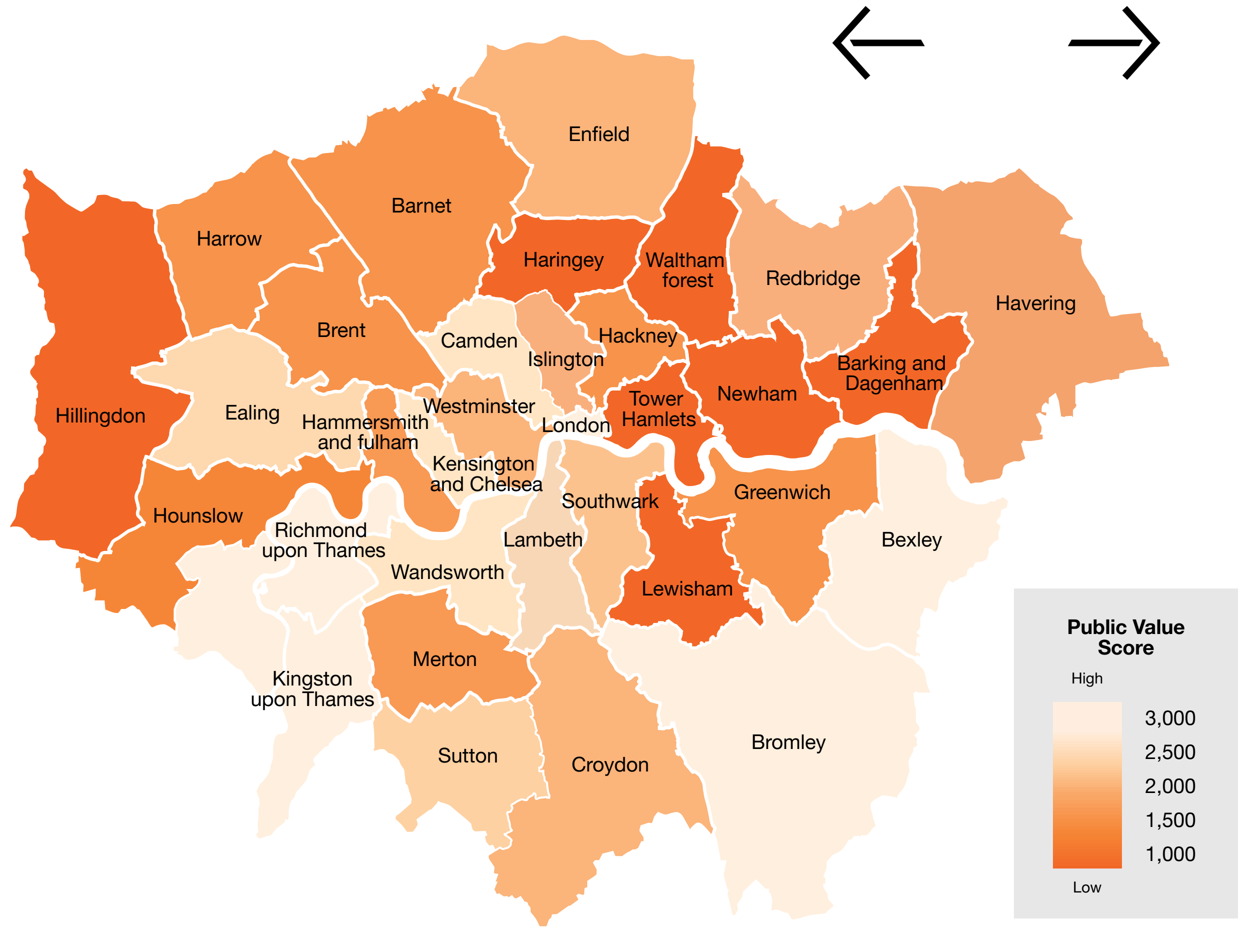
Household spending power score by London borough

The picture changes further when wider social and environmental outcomes are considered alongside. Despite its strong economic position, London records the lowest regional performance across these wider measures. Financial vulnerability, housing pressures, safety, social connectivity and environmental conditions all weigh on its overall Public Value result.

Public Value Score by London borough

Taken together, the analysis shows why a more rounded and granular view matters. London's strong economic performance does not translate uniformly into household prosperity or wider wellbeing, while the factors shaping outcomes also differ within the capital itself.

Understanding those differences provides a stronger basis for identifying where intervention may be needed and what form it should take.



London borough rankings

Borough	Annual NEDHI	Deviation from National Average	London PV Ranking
Richmond upon Thames	£35,453	£11,548	1
Kingston upon Thames	£33,178	£9,272	3
Bromley	£32,981	£9,075	4
Wandsworth	£32,283	£8,377	8
Islington	£30,614	£6,708	11
Camden	£30,410	£6,504	6
Harrow	£29,601	£5,695	21
Croydon	£29,485	£5,579	16
Ealing	£28,793	£4,888	5
Kensington and Chelsea	£28,552	£4,646	7
Southwark	£28,501	£4,595	14
Bexley	£28,293	£4,388	2
Lambeth	£28,093	£4,188	9
Westminster	£27,623	£3,718	15
Havering	£26,944	£3,038	10
Barnet	£25,885	£1,979	18

Borough	Annual NEDHI	Deviation from National Average	London PV Ranking
Greenwich	£25,664	£1,759	22
Sutton	£25,517	£1,611	13
Hackney	£23,769	-£136	19
Hounslow	£23,690	-£216	25
Hillingdon	£23,591	-£315	27
Merton	£23,448	-£458	23
Lewisham	£22,673	-£1,232	30
Enfield	£22,380	-£1,526	17
Haringey	£21,915	-£1,991	26
Brent	£21,550	-£2,356	20
Waltham Forest	£21,282	-£2,624	29
Redbridge	£21,048	-£2,858	12
Barking and Dagenham	£20,405	-£3,500	32
Newham	£19,643	-£4,263	28
Tower Hamlets	£19,635	-£4,271	31
Hammersmith and Fulham	£18,385	-£5,521	24

Rurality and connectivity also shape public value

Looking beyond averages for the regions and nations, the analysis also reveals a clear relationship between rurality, connectivity and wellbeing. People living in less urban areas tend to report higher life satisfaction and better mental and physical health than those in more urban areas. Within rural areas, proximity to a major town or city is also associated with stronger outcomes, confirming that well connected rural places can combine some of the wellbeing advantages of rural living with better access to jobs, services and wider economic opportunities.

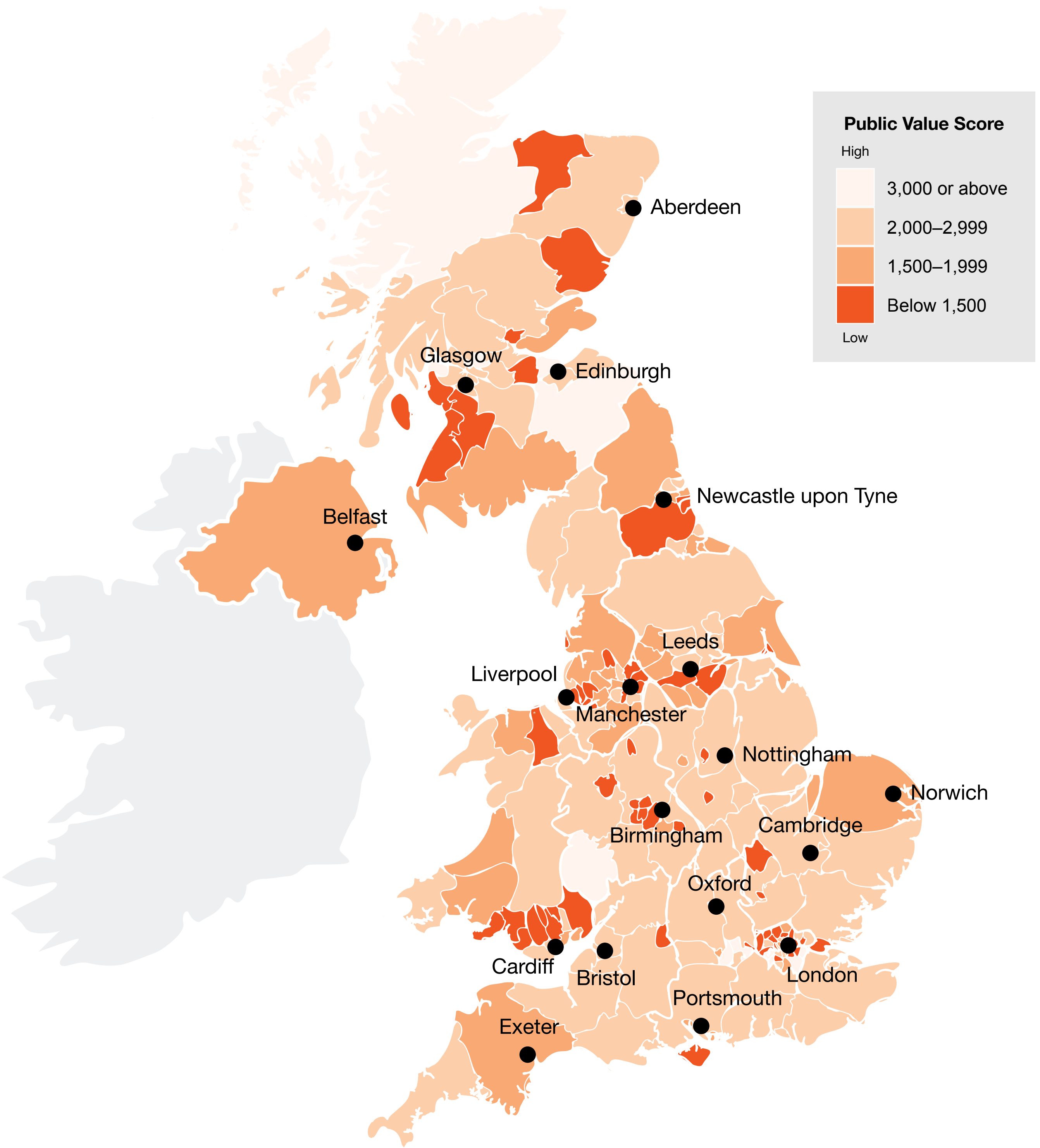
A similar pattern is visible in household spending power, which tends to be higher in more rural areas. However, this relationship should be interpreted with some caution, as differences in the age and composition of local populations may also influence the result.

How many households are experiencing the benefits of growth?

The local authority area-level results reveal a diverse geography of good growth across the UK. A small number of places record particularly strong Public Value Scores, combining relatively high household spending power with positive social and environmental outcomes. Second to this set is a much larger group of areas that also perform well, meaning that combined more than half of the population covered by our analysis live in areas with comparatively strong overall results.

Distribution of local authorities by Public Value Score (PVS)

Group	Number of households	Number of people
Greatest scope to strengthen public value (below 1,500)	6,000,000	14,900,000
Scope to strengthen public value (PVS 1,500 - 2,000)	6,500,000	15,100,000
Strong public value (PVS 2,000 - 3,000)	13,800,000	32,700,000
Leading public value (PVS >3,000)	1,200,000	2,800,000



That still leaves substantial scope for improvement. **The two lower-scoring categories are home to 12.5 million households, representing around 46% of the UK population. In these areas, weaker household prosperity, social and environmental conditions, or a combination of the two, mean that economic growth is translating less fully into improvements in people's quality of life.**

Looking beneath the headline scores, health emerges as the clearest dividing line. In places with the greatest scope to strengthen public value, poorer mental health is often one of the most significant factors associated with weaker outcomes, alongside physical health and, in many larger cities, financial insecurity and housing pressures.

The scale of this challenge is significant, but the findings should not be read as suggesting that every household within these authorities has the same experience, that these places lack strengths on which to build, or that any single factor explains their performance. Rather, they show how widespread the opportunity is to strengthen the conditions that allow economic progress to translate into better lives.

The implication is that, in the pursuit of good growth, every place requires a tailored response. This geography is therefore a map of different starting points and priorities. Economic growth is more likely to improve people's lives when local investment and intervention is guided by evidence that identifies the conditions that matter most in each place.

04

Understanding what matters most in each place

Averages for the regions and nations provide an important view of how different parts of the country are performing, but they can conceal significant differences within the same wider economy

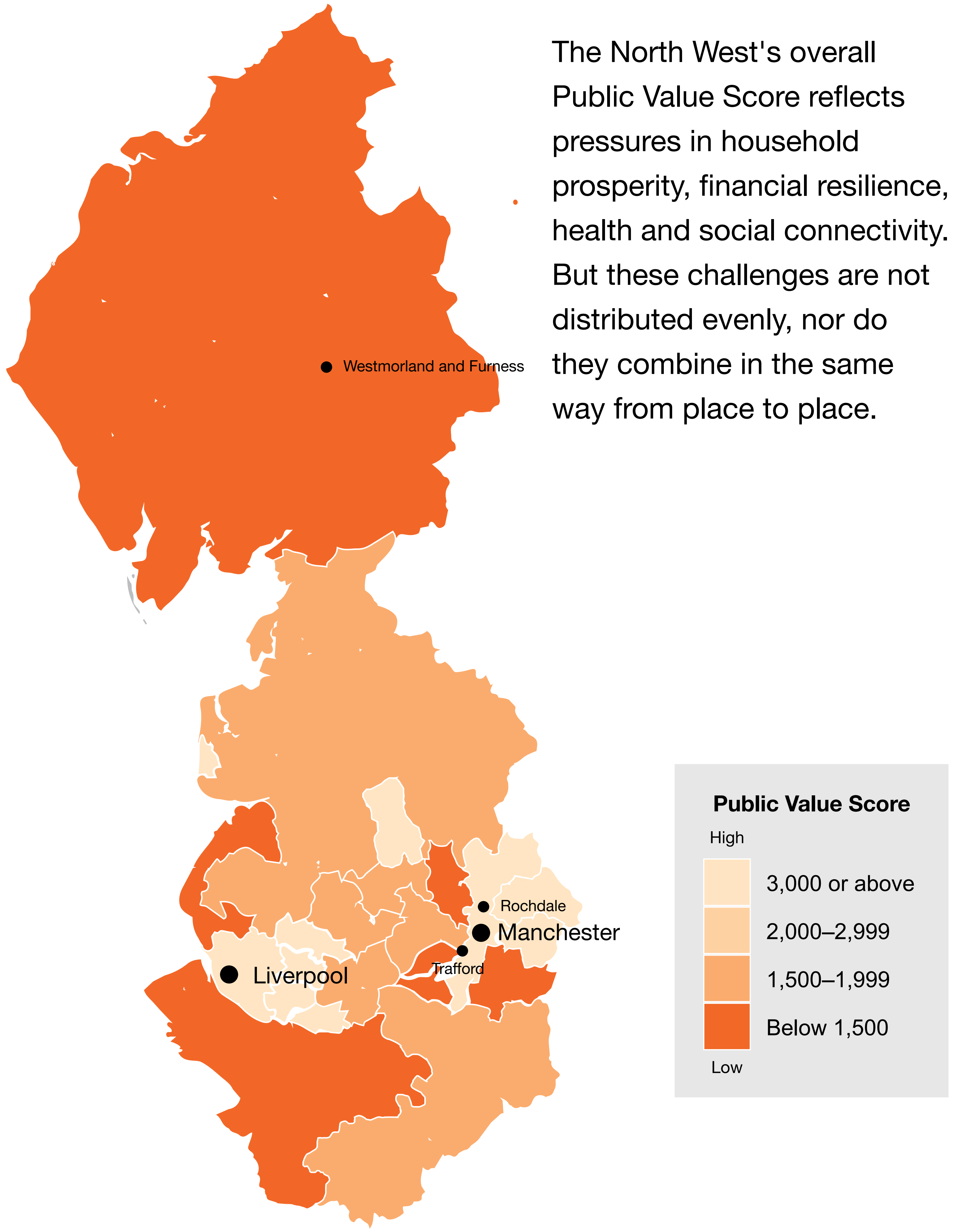
For local leaders, that means understanding where pressures and opportunities are concentrated, and which factors are most closely associated with stronger or weaker outcomes.

To demonstrate how placed-based intelligence can help build this understanding at a local level, we have included deep dives into two regions with contrasting headline scores in our analysis.

The North West records comparatively weak Public Value overall, while the South East is one of the strongest performing regions. Yet within both regions, local authorities experience very different combinations of household prosperity, health, financial resilience, housing and wider social and environmental outcomes.

This matters for prioritisation. A regional strategy can provide common direction, but the evidence suggests that the focus of action may need to vary significantly within it.

North West: shared regional pressures, different local priorities



The North West's overall Public Value Score reflects pressures in household prosperity, financial resilience, health and social connectivity. But these challenges are not distributed evenly, nor do they combine in the same way from place to place.

Liverpool: where pressures compound

Liverpool illustrates the importance of considering different dimensions of public value in the round. It performs substantially below the North West average in terms of household spending power, and residents feel comparatively less able to manage their day-to-day finances. Poor mental and physical health also weigh heavily on wellbeing, alongside weaker social connectivity and high caring commitments.

No single measure therefore explains Liverpool's position. Improving economic performance remains important, but the analysis suggests its benefits may be greater when accompanied by improvements in other areas. Understanding how these pressures interact can help decision makers consider where interventions may need to work together rather than addressing individual outcomes in isolation.

Rochdale and Trafford: close neighbours, different priorities

The contrast between Rochdale and Trafford shows how priorities can diverge within the same wider city region.

Rochdale performs poorly on household spending power metrics, health and financial resilience. Within health, poorer mental wellbeing makes the largest negative contribution, providing a constraint on wider public value.

Trafford presents a markedly different picture. Health and social connectivity are relative strengths, while environment and green space scores perform less well.

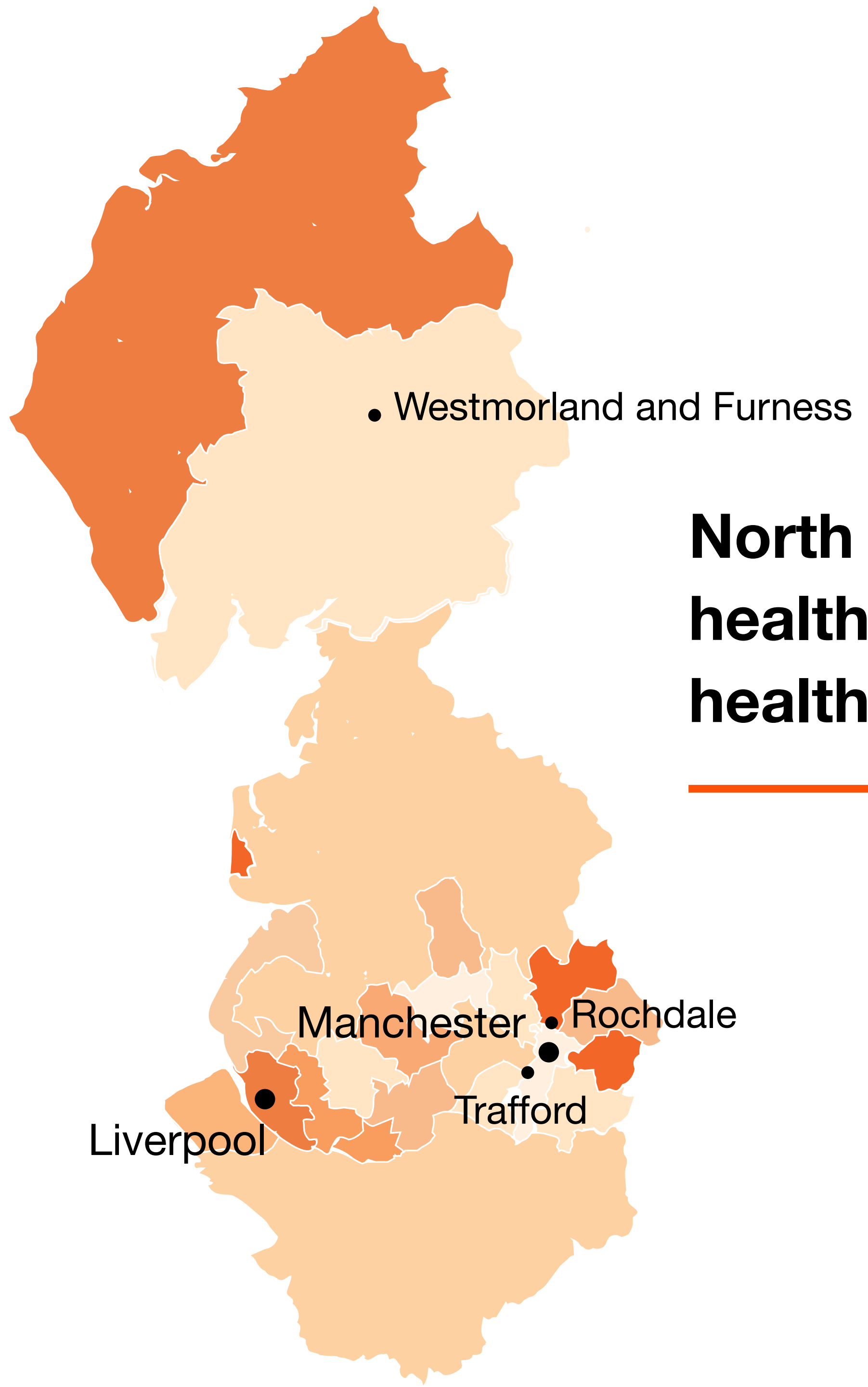
This matters for place-based policy making. A common Greater Manchester strategy can provide shared direction and coordinate investment across the city region, but the evidence suggests that delivery may still need to vary between communities. The intervention most relevant to one local authority area may offer much less value in another, even where the two are part of the same labour market and institutional geography.

Westmorland & Furness: building from strength

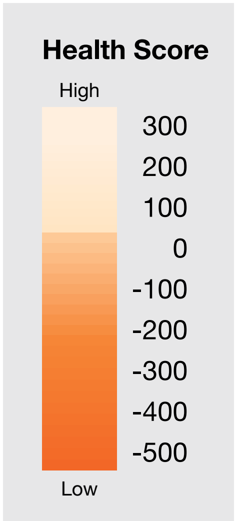
Westmorland & Furness performs strongly relative to the North West on household spending power, financial resilience, overall health and environment and green space. Stronger mental health supports its health position, while the quality of local green space and relatively low air pollution contribute positively to wellbeing.

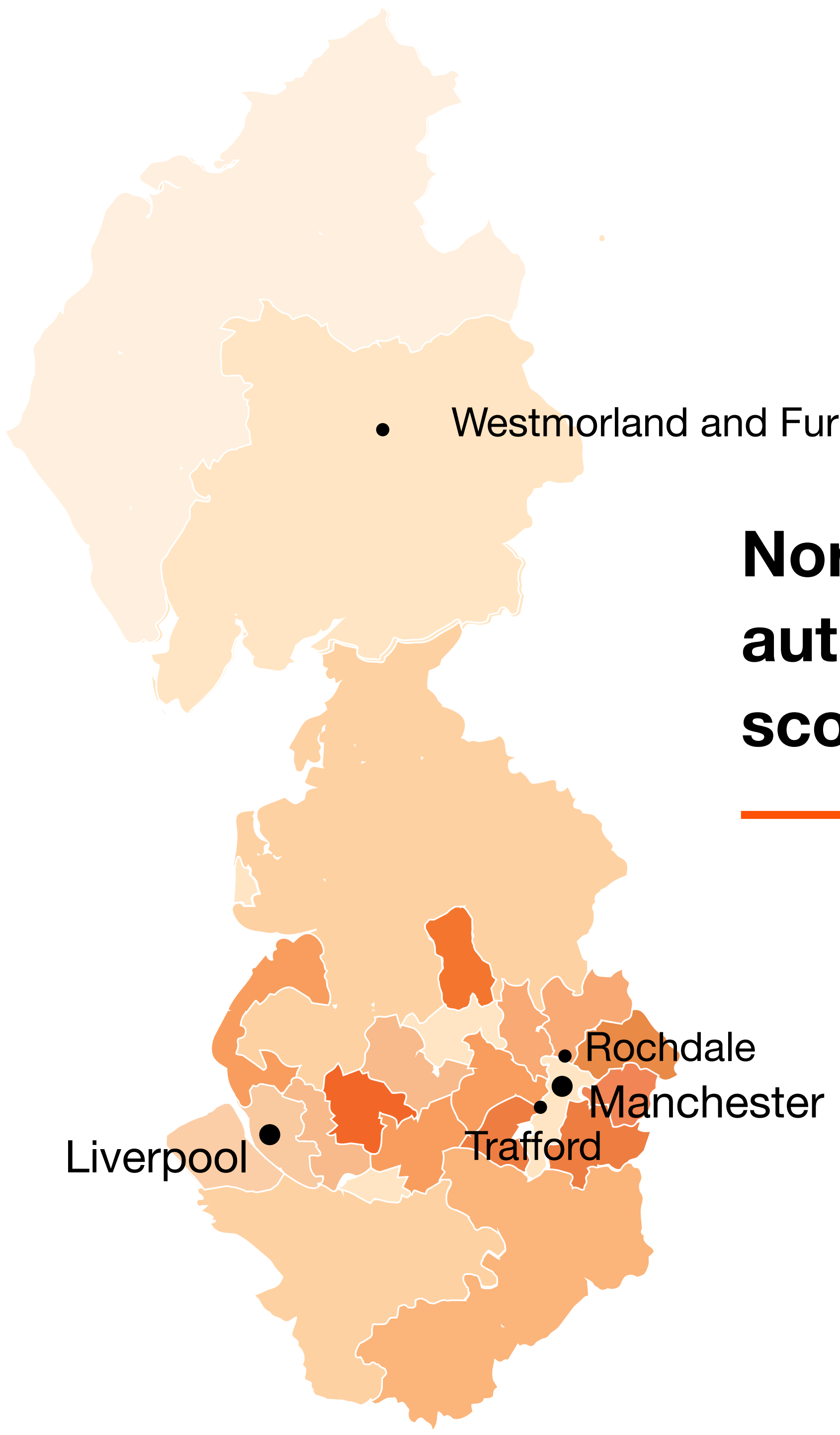
Its performance is not uniformly strong. Physical health is weaker than its overall health score might suggest. But the broader picture demonstrates why place-based insights can help identify strengths as well as pressures.

Understanding where outcomes are already strong can help leaders protect those strengths, identify more specific areas for improvement and focus limited resources where the evidence suggests the need is greatest.

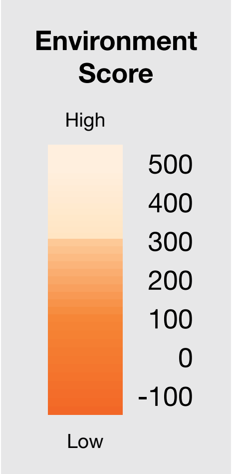


North West local authority health (including mental health) scores heatmap

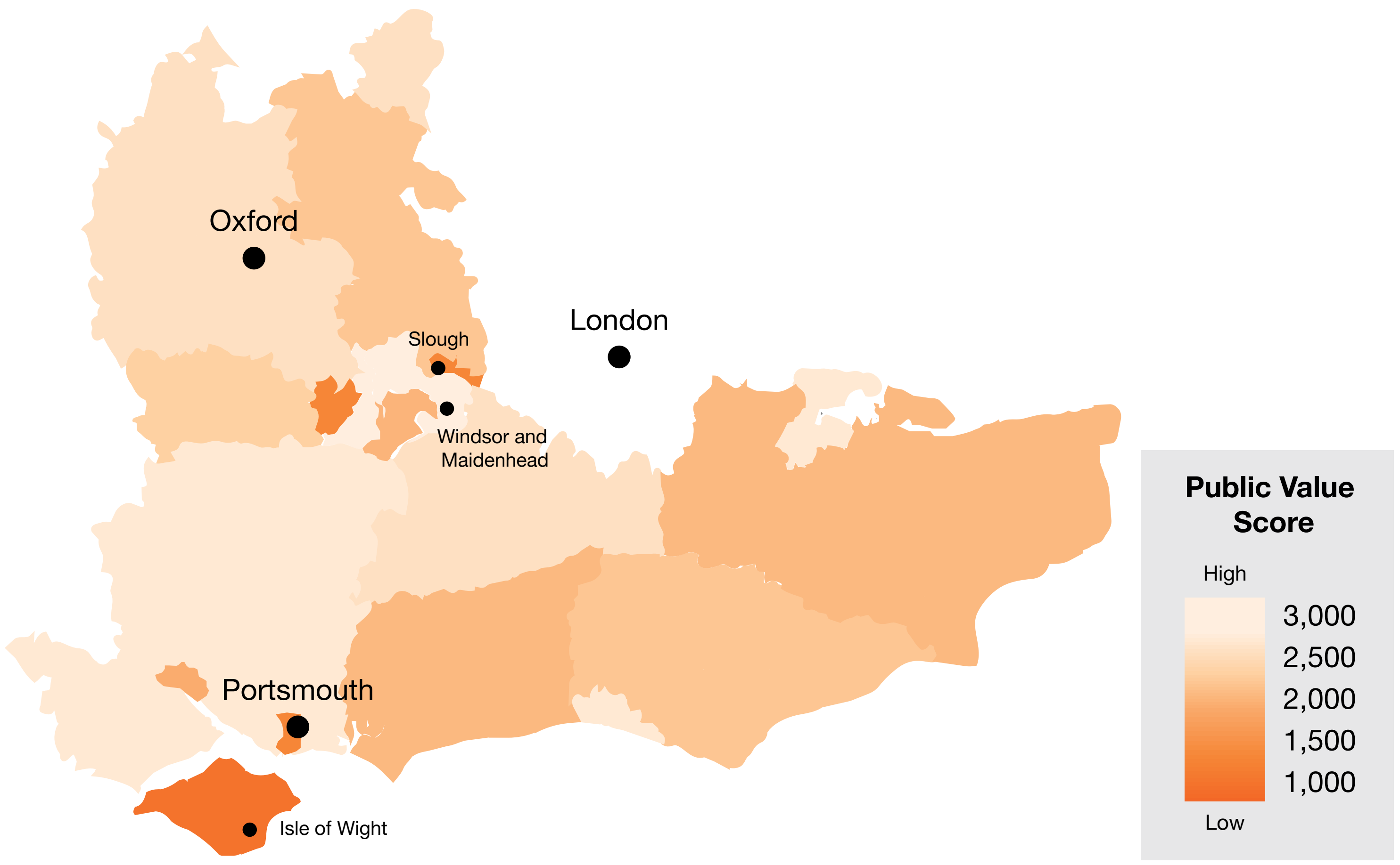




North West local authority environment scores heatmap



South East: strong regional performance can conceal local need



The South East demonstrates the same principle from the opposite direction. It combines the highest household spending power in the country with positive outcomes in areas including health, financial resilience and housing. Viewed through a regional lens, it is a good growth success story.

Beneath that average, however, are places facing quite different challenges. A strong regional score can therefore create its own risk: local pressures may be less visible precisely because the wider region is performing well.

Slough and Windsor & Maidenhead: prosperity does not automatically cross local boundaries

The contrast between Slough and neighbouring Windsor & Maidenhead is particularly striking.

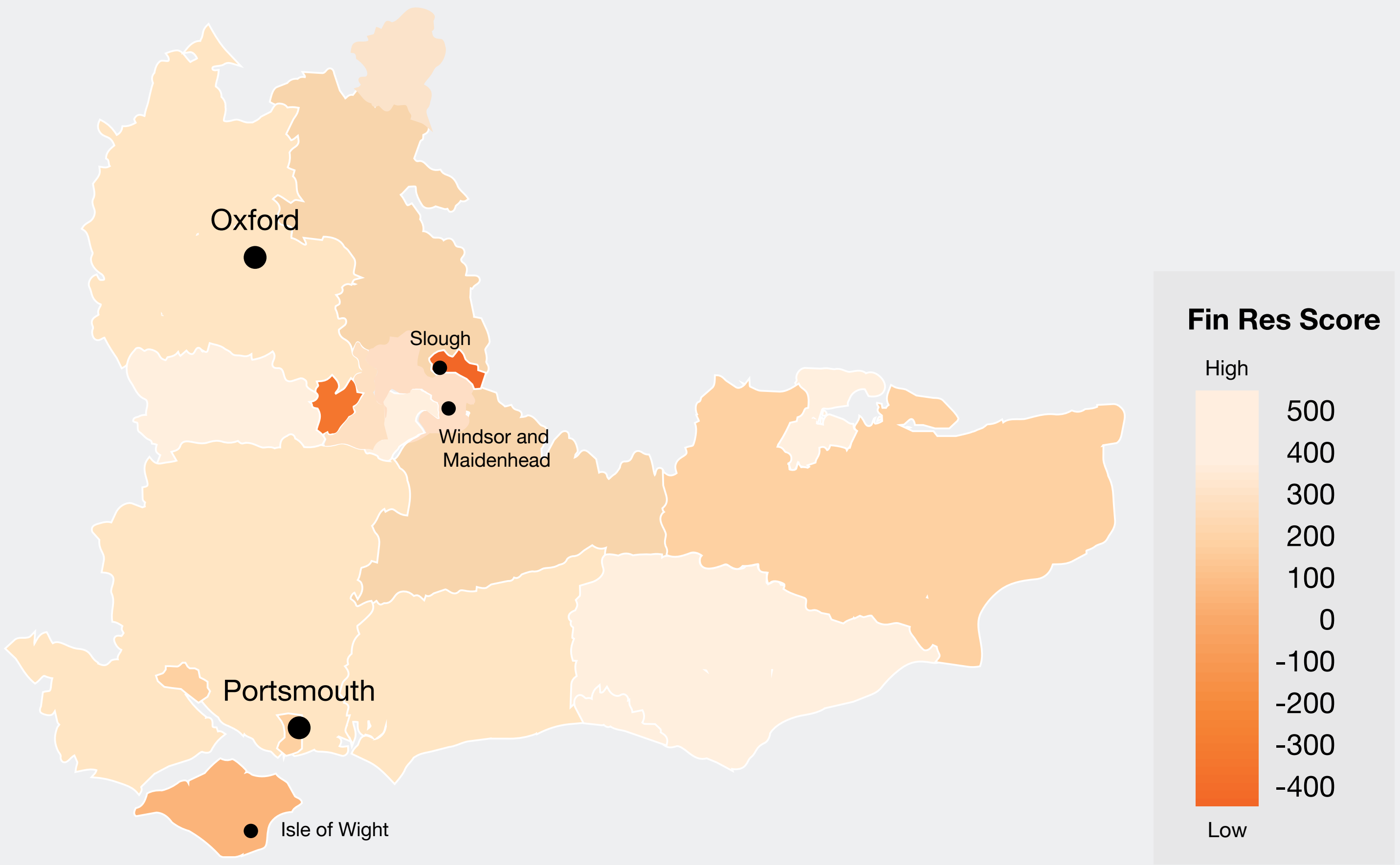
Slough has the lowest household spending power score in the South East, with wider pressures compounding this weaker economic position. Difficulties managing day-to-day finances, limited savings and higher debt weigh on financial resilience, while poorer mental health affects its overall health score. Housing is another pressure, reflecting comparatively low levels of home ownership and larger household sizes.

By contrast, neighbouring Windsor & Maidenhead has a much stronger economic position. It also performs substantially above the regional average on health, supported by stronger mental health outcomes, while leading the region on housing, driven in part by residents' ability to meet their housing costs.

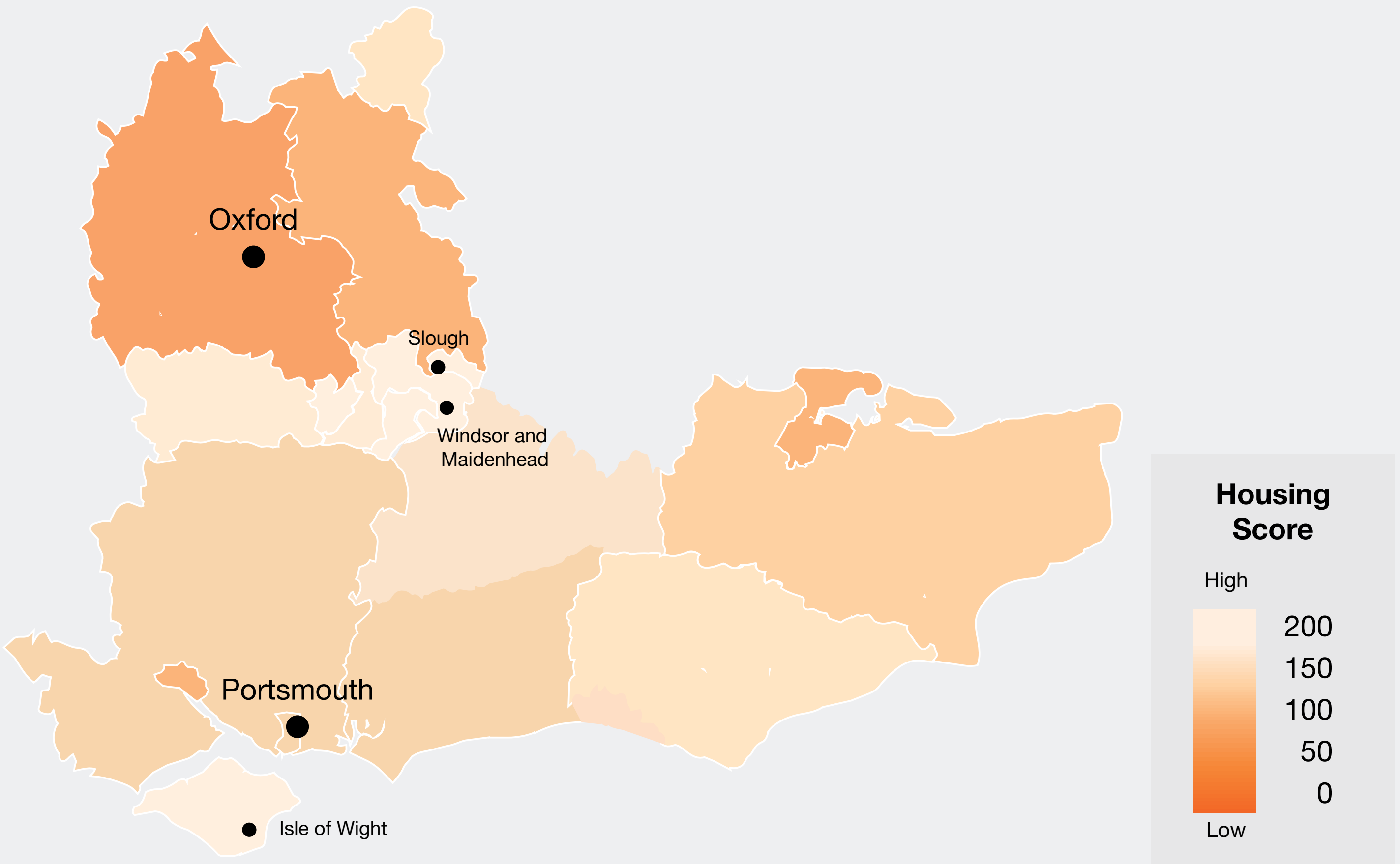
Isle of Wight: a different form of vulnerability

The Isle of Wight further illustrates why places with weaker overall outcomes should not be treated alike. Health is a significant pressure, with both mental and physical health weighing on its score, while financial resilience is also below the regional average. Housing, however, stands out as a relative strength.

South East local authority financial resilience scores heatmap



South East local authority housing scores heatmap



Portsmouth: urban pressures hidden by regional strength

Portsmouth provides another example of how local pressures can be obscured by strong regional performance. It scores below the South East average for both household spending power, physical and mental health. Social connectivity is also weaker, with comparatively high levels of caring responsibilities associated with lower wellbeing.

Yet these pressures exist within the UK's strongest performing region for household spending power and broader public value. Looking only at the regional picture would therefore give little indication of the scale or nature of the challenges facing the city.

What these two regions tell us about good growth

The North West and South East begin from very different positions, but they point to the same conclusion. Regional performance cannot on its own show where the greatest local pressures lie or what is driving them.

More detailed local insight can therefore support by helping identify spatial prioritisation (demonstrating where within a region stronger and weaker outcomes are concentrated), and thematic prioritisation (showing which economic, social and environmental factors are most closely associated with those outcomes). Also, by considering economic and social value together, it can also provide a broader basis for assessing where investment may create the greatest overall value.

While this report presents results at local authority level to support robust and consistent comparison, the model is built from more granular underlying data. Subject to data availability and statistical robustness, it can therefore be applied below local authority level to provide a more tailored understanding of the factors shaping public value within individual communities.

Reshaping the geography of good growth

Our research shows that communities' ability to benefit from economic growth is shaped by a complex and interconnected set of local conditions. But the geography of good growth is not fixed. Devolution gives places more scope to shape their own economic futures, but local powers will be most effective when matched by the incentives, evidence and investment needed to act on local priorities.

More granular local insight can help bring these elements together. It can help leaders identify where action will have the greatest effect, provide a broader basis for assessing investment, and enable businesses to understand both the local conditions that underpin their success and the wider value their investment can create.

The opportunity is to forge a stronger connection between national growth ambitions and the circumstances of individual places, giving government, business and communities a shared understanding of what matters locally. Ultimately, success should be judged not simply by whether local economies grow, but by whether that growth leads to greater prosperity, wider opportunity and better lives for the people and communities within them.

05

Methodology in brief: how we measure good growth

The 2026 Good Growth Barometer is underpinned by PwC's Place-Based Intelligence Model

The model produces a Place-Based Public Value Score for each local authority, combining a Place-Based Economic Value Score with a Place-Based Social Value Score.

This provides a consistent framework for comparing places, benchmarking performance against regional and national averages, and tracking change over time. The overall score provides a useful summary, but the model's main diagnostic value lies in identifying the economic, social and environmental factors most closely associated with outcomes in each place.

This work was partially undertaken in the Office for National Statistics Secure Research Service using data from ONS and other owners and does not imply the endorsement of the ONS or other data owners. This work also used data from the UKDS and other owners, and does not imply the endorsement of data creators, funders or UKDS regarding our analysis or interpretation.

Economic Value Score

The Economic Value Score examines how local economic output is associated with household living standards. Its outcome measure is Net Equivalised Disposable Household Income, which captures income after taxes and transfers, deducts housing costs, and adjusts for household size and composition.

This provides a closer measure of household spending power than gross earnings or economic output alone. The model estimates the relationship between local economic performance and household living standards over time, including lagged effects to reflect that growth may take time to feed through to household finances.

Social Value Score

The Social Value Score measures how each local authority is performing in terms of wellbeing outcomes. To assesses how different social and environmental conditions drive wellbeing outcomes, the model examines approximately 50 local characteristics that drive wellbeing using ONS and UKDS microdata. These characteristics span policy areas including financial resilience, employment, housing, health, safety, social connection, green space, and environmental quality.

Each characteristic is tested through a consistent set of regression analyses. These estimate its relationship with reported wellbeing while controlling for relevant individual, household and geographic characteristics. The resulting coefficients are then converted into monetary values using the Wellbeing Valuation approach, as aligned with HM Treasury's Green Book supplementary guidance on wellbeing appraisal and relevant OECD guidance. This allows non-market social and environmental outcomes to be considered on a comparable basis alongside conventional economic measures in policy appraisal.

Place-Based Public Value Score

The Place-Based Public Value Score combines the estimated monetary value of household economic outcomes with that of wider social and environmental outcomes.

The score should not be interpreted as a precise cash value in isolation. It is a benchmarking and diagnostic measure that helps show where economic strength is associated with better overall outcomes, where those benefits may be weakened, and which local factors appear most material to improving good growth.

Limitations

As with any analysis based on observational data, the model has limitations.

First, the microdata sources are designed to be nationally representative rather than fully representative at local authority level. Statistical weights are applied, but they cannot remove this limitation entirely. The analysis therefore pools observations across multiple years and tests for statistically significant differences between local authorities, rather than presenting standalone descriptive estimates for each authority.

Second, the relationships identified should not be interpreted as fully causal because the analysis does not use random assignment. To reduce the risk that results are driven by unobserved differences between places, the model includes a comprehensive set of controls and ONS pen portrait groupings, which capture variation associated with demographic and socioeconomic characteristics.

The framework does not currently capture participation in arts, culture and other social activities, despite their importance to wellbeing and good growth. The DCMS Participation Survey provides robust, nationally representative data in these areas and could strengthen the Public Value Score by broadening its coverage of social participation. However, current licensing conditions restrict use of the survey to educational purposes, preventing its inclusion in this analysis. This leaves an important gap, particularly given the relevance of cultural and social participation to place-based outcomes. Extending access to the Participation Survey for non-educational analysis would help maximise the value of this significant data asset and enable a more comprehensive assessment of good growth across local areas.

Full details of the data, modelling approach and limitations are provided in the Technical Appendix, available on request.

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