

Press Release

FOR IMMEDIATE RELEASE

23rd July 2026

Official Statistics Shows East Midlands Funding Deficit widens to £11.4 billion

The East Midlands continues to receive the lowest levels of public investment in the UK, according to a [new analysis of government data released today by East Midlands Councils](#) – and the gap is widening.

Despite a growing population and a strong track record on economic growth, the region lags significantly behind on spending in key areas such as transport, infrastructure, and economic development.

Figures drawn from the Treasury ([Public Expenditure Survey Analysis - PESA](#)) show that, between 2020 and 2025, the East Midlands received £11.4 billion less than it would have if funded at the UK average – an increase from the £10.8 billion deficit for the 5 years up to March 2024.

Transport funding in the region remains particularly low. In 2024–25, transport spending in the East Midlands was just 56% of the UK average, the lowest level of any UK region or nation. Spend on transport stood just at just £376 per person for the region - compared to £656 for the West Midlands and £1,195 for London.

These latest figures **do not** include the impact from the ‘indefinite pausing’ of Midland Main Line electrification announced in July 2025 or the recent cancellations of the A46 Newark Bypass and the A38 Derby Junctions to fund the Government’s Defence Investment Plan. In total these schemes add up to around £2.5 billion of lost infrastructure investment over the last 12 months.

Cllr Sean Matthews, Chair of East Midlands Councils, said:

“These figures lay bare the extent to which the East Midlands continues to be de-funded by Westminster & Whitehall.”

“The disparities in transport spending remain truly shocking. Ministers promised to start closing the gap last year but since then all we have seen is more schemes cancelled.”

“This cannot go on. The new Prime Minister and Chancellor must get a grip and begin to reduce these gross inequalities”.

“If we are going to have a Number 10 for the North, then we need a Number 11 Downing Street for the East Midlands”

In September 2025 East Midlands MPs led by Catherine Atkison MP (Derby North) led a debate in the Housing Commons on regional transport inequality. Replying for the Government, the DfT Minister Simon Lightwood MP promised to turn the situation around, citing investment in both the A46 Newark Bypass and A38 Derby Junctions as proof of the Government’s commitment¹ These schemes were then cancelled in July 2026.

While the East Midlands has largely kept pace with national growth rates in terms of GDP, the analysis highlights that this has largely been driven by population growth rather than productivity gains. Labour productivity in the East Midlands remains at just 84.8% of the UK average, with the gap widening over the last 20 years.

Analysis of this most recent Treasury figures raises serious questions for the new Government, combined authorities and long-standing pan-regional bodies like Midlands Connect.

ENDS.

¹ [Regional Transport Inequality - Hansard - UK Parliament](#)