

Harrow Monitoring Group Paper:

Beyond UK Austerity: *resource constraints reordering socio-economic priorities, resulting in inclusion and exclusion*

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Executive Summary

This paper critically examines how constrained public provision has reshaped socio-economic priorities within the United Kingdom's national and local governance frameworks. It argues that limited state capacity has become an instrument through which governments set priorities, regulate social relations, and secure political advantage.

In the post-austerity period, the allocation of public funding is more than mere reaction to financial pressures - it operates as a governance tool, determining which needs are addressed and which are postponed. Limitations in funding function both as concrete constraints and ideological levers: they legitimise selective support, normalise disparity, and uphold political hierarchies under the language of efficiency and prudence.

The paper explores how these pressures intensify competition among communities and institutions, and reshape the relationship between citizens and the state. Using "diversity" among other examples, it shows how policies promoting cohesion often become mechanisms for administrative control rather than meaningful inclusion.

Ultimately, the argument is that managing restricted public funds has pushed national priorities toward visibility, political expediency, and market logic, often at the expense of social equity. It calls for more equitable, transparent, and participatory models of service and budget allocation, which recognise human capability as the central resource.

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1. Constraint and the politics of allocation

- 1.1. The current pressures on public services in the UK cannot be understood purely as effects of global downturns or inflation. They originate in political choices about what is to be preserved, cut, or postponed - choices embedded in ideologies of productivity, worth, and belonging.
- 1.2. Since 2008, austerity has embedded cutbacks into governing systems. Funding for local authorities, welfare services, and community programmes has been steadily reduced (Taylor-Gooby, 2013). Tight budgets thus serve as both a material burden and a political narrative - justifying selective funding and framing difference as deficit.
- 1.3. At national and local levels alike, financial strain translates into competition among social groups, fostering a zero-sum mindset that reframes community aspirations and allows some needs to be sidelined under budget constraints (Clarke & Newman, 2012; Hastings et al., 2017; Lowndes & Gardner, 2016).

2. Economic pressure at national and local government levels

- 2.1. Across the United Kingdom, public governance has been redefined by chronic financial constraint and the embedding of austerity into administrative practice. Since the early 2010s, local authorities have faced cumulative reductions in central government grants - by as much as 40% in real terms between 2010 and 2020 - forcing councils to reshape or withdraw essential services (Hastings et al., 2017). The outcome has been pronounced territorial inequality: while affluent boroughs can sustain core functions through local taxation and private partnership, less prosperous regions experience structural deprivation and deteriorating infrastructure.
- 2.2. At the local level, such financial limitation becomes a daily exercise in selective provision. Councils increasingly engage in “triage politics” - deciding which services to protect and which to sacrifice (Lowndes & Gardner, 2016). These decisions are rarely neutral. They reshape the moral and social contract between citizens and the state, signalling whose needs are prioritised and whose are deferred.
- 2.3. Resource management under pressure often manifests as differentiated inclusion: where some communities are incorporated through targeted regeneration schemes, cultural initiatives, or participatory budgeting exercises, while others are marginalised through service withdrawal or exclusion from consultative processes.

- 2.4. For instance, discretionary community grants - often used to support local voluntary organisations - have been reduced or absorbed into competitive bidding processes. Groups with professionalised structures or stronger political connections are more likely to access funds, while grassroots and minority-led organisations face systematic exclusion.
- 2.5. This selective engagement produces a pattern of managed inclusion and administrative exclusion, where local governments appear participatory yet reproduce unequal access to decision-making. Under the rhetoric of fairness and efficiency, inclusion becomes conditional - granted to those who align with institutional expectations, contribute to measurable “outcomes,” or enhance the local authority’s performance indicators.
- 2.6. On a national level, the UK’s Levelling Up initiative has been scrutinised: only around 10% of the allocated funds for local regeneration had been spent by December 2023, according to the House of Commons Public Accounts Committee, revealing delays, administrative complexity, and likely misalignment with local priorities (Public Accounts Committee, 2023). This underscores the wider tension in contemporary governance - where resources are not absent, but constrained, delayed, or redistributed according to political visibility rather than social necessity.

3. Allocation of resources and the regulation of social policy

- 3.1. The distribution of public funds functions as a subtle mechanism of socio-economic control. Through selective investment in housing, education, and cohesion programmes, local and national governments shape both social behaviour and public expectation. Resource scarcity is routinely invoked to justify decisions that are in fact deeply ideological - framing some communities as productive contributors and others as fiscal liabilities (Clarke & Newman, 2012).
- 3.2. Inclusion and exclusion thus operate not as opposites, but as interconnected processes within governance. Where inclusion is instrumentalised - used to demonstrate diversity, participation, or civic renewal - exclusion becomes its necessary counterpart, silencing or sidelining groups that challenge prevailing hierarchies or fail to fit bureaucratic models of “community.”
- 3.3. The resulting landscape is one of conditional belonging: citizens’ access to welfare, housing, or even recognition as “stakeholders” becomes contingent upon their perceived alignment with the values of efficiency, self-sufficiency, and conformity.

- 3.4. These patterns reproduce inequality beneath the surface of participatory language - maintaining control through the rationing of resources and the selective visibility of need.

4. Inclusion, competition, and managed difference

- 4.1. Policies claiming to promote inclusion and community cohesion are often filtered through the prism of constrained budgets. Inclusion becomes conditional - contingent upon engagement with official programmes and adherence to institutional norms.
- 4.2. “Diversity” remains a telling example: while invoked as a virtue, in practice it often becomes a policy category that channels limited resources toward particular “target groups” (Ahmed, 2012). More often than not, inclusion is measured by compliance, representation, or symbolic recognition rather than structural change or community empowerment.
- 4.3. Competition for limited funding further fragments solidarity. Marginalised groups compete for the same pots, leading to intergroup tension and distraction from systemic deficits. Restraint thus does more than restrict scope - it reorganises social relations, redefining belonging and marginalisation along managed lines of need.

5. Public spending constriction, social tension, and political opportunity

- 5.1. The ongoing contraction of public investment has deepened social tension, particularly in areas such as welfare, housing, and opportunity. As the gap between people’s expectations and the level of provision continues to widen, resentment and distrust grow. Narratives of the “deserving” and “undeserving” poor are reignited, contextualising inequality as a matter of individual virtue rather than structural design.
- 5.2. These tensions have become a form of political capital. Both local and national opinion-makers exploit grievances over perceived inequities in access to resources, turning financial constraint into a platform for ideological contestation. In particular, right-wing movements and populist figures have recast the politics of limited provision around notions of fairness, national belonging, and moral worth - portraying welfare recipients, migrants, or specific localities as competing threats to an imagined social order.
- 5.3. By recasting economic scarcity as a cultural struggle, such influencers shift debate away from redistributive justice toward questions of identity and entitlement. The use

of community resources - grants, regeneration schemes, or social housing allocations - thus becomes a means of fuelling division rather than cohesion.

- 5.4. In this way, the restriction of public spending serves not only as an economic technique but as a political strategy: shaping social priorities, influencing perception, and consolidating power through the careful management of tension and difference.

6. Toward empowerment and fair public provision

- 6.1. Moving beyond austerity requires reconceptualisation and structural reform.

First, limitations in public provision must be understood as the product of policy choices - not unavoidable constraints - shaped by taxation, spending priorities, and political will.

- 6.2. Second, human capability - skills, lived experience, social capital - must be recognised as central assets. Policy must strengthen social infrastructure rather than rely on competitive short-term funding models.

- 6.3. Empowerment demands redistributing not only resources but also decision-making power. Local communities should have a real voice in determining priorities and in oversight. Only through such participation can the politics of scarcity give way to a politics of shared responsibility, inclusion, and sustainable equity.

7. Conclusion

- 7.1. The management of scarce public resources reveals the intricate interplay between economic discipline, political strategy, and social order. Resource limitation has evolved into a governing rationale, shaping who receives support, whose needs are recognised, and how participation is defined.

- 7.2. To move beyond austerity, governments must interrogate the political construction of limitation - acknowledging that equitable allocation is not charity but essential for democratic stability and cohesion. Transparent, participatory approaches to distribution are vital for rebuilding legitimacy and trust in society, especially when priorities are being re-ordered in response to constrained public resources.

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